

SCHEDULE A

FINAL ANNUAL BUDGET AND SUPPORTING DOCUMENTATION OF MADIBENG LOCAL MUNICIPALITY



FINAL ANNUAL BUDGET OF

MADIBENG LOCAL MUNICIPALITY



2019/20 TO 2021/22
FINAL MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS

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Abbreviations and Acronyms

| | | | |
|--------|--------------------------------------------------|-------|-----------------------------------------------|
| AMR | Automated Meter Reading | ℓ | litre |
| ASGISA | Accelerated and Shared Growth Initiative | LED | Local Economic Development |
| BPC | Budget Planning Committee | MEC | Member of the Executive Committee |
| CBD | Central Business District | MFMA | Municipal Financial Management Act Programme |
| CFO | Chief Financial Officer | MIG | Municipal Infrastructure Grant |
| CM | Municipality Manager | MMC | Member of Mayoral Committee |
| CPI | Consumer Price Index | MPRA | Municipal Properties Rates Act |
| CRRF | Capital Replacement Reserve Fund | MSA | Municipal Systems Act |
| DBSA | Development Bank of South Africa | MTEF | Medium-term Expenditure Framework |
| DORA | Division of Revenue Act | MTREF | Medium-term Revenue and Expenditure Framework |
| DWA | Department of Water Affairs | NERSA | National Electricity Regulator South Africa |
| EE | Employment Equity | NGO | Non-Governmental organisations |
| EEDSM | Energy Efficiency Demand Side Management | NKPIs | National Key Performance Indicators |
| EM | Executive Mayor | OHS | Occupational Health and Safety |
| FBS | Free basic services | OP | Operational Plan |
| GAMAP | Generally Accepted Municipal Accounting Practice | PBO | Public Benefit Organisations |
| GDP | Gross domestic product | PHC | Provincial Health Care |
| GDS | Gauteng Growth and Development Strategy | PMS | Performance Management System |
| GFS | Government Financial Statistics | PPE | Property Plant and Equipment |
| GRAP | General Recognised Accounting Practice | PPP | Public Private Partnership |
| HR | Human Resources | PTIS | Public Transport Infrastructure System |
| HSRC | Human Science Research Council | RG | Restructuring Grant |
| IDP | Integrated Development Strategy | RSC | Regional Services Council |
| IT | Information Technology | SALGA | South African Local Government Association |
| kℓ | kilolitre | SAPS | South African Police Service |
| km | kilometre | SDBIP | Service Delivery Budget Implementation Plan |
| KPA | Key Performance Area | SMME | Small Micro and Medium Enterprises |
| KPI | Key Performance Indicator | | |
| kWh | kilowatt | | |

Part 1 – Annual Budget

1.1 Mayor's Report

Honourable Speaker of Council-Clr. K Ntshabele, Honourable Single Whip of Council- Clr. P Makgabo

Honourable Chairperson of Municipal Public Accounts-Clr.D Diale

Members of the Mayoral Committee, Magosi a Rona, The Acting Accounting Officer Mrs. Grace Magole, Acting Chief Finance Officer - Mr. J Motaung

Directors and Managers, Entire Officials of the Municipality, Representative Workers Unions Our Mass Democratic Movement Structures, Business Community and its Representation Baagi ba ba tlhomphegileng ba Madibeng, Representatives from the media, All protocol observed

Honourable Speaker

The proposed budget of Madibeng Local municipality for the 2019/20 financial year totals R 2.7 billion, comprising of R 2.4 billion Operating Expenditure and R 281.7 million for Capital expenditure. The total budget remains at 2.7 billion when compared with the 2018/19 Adjustment Budget and increased by R 34.9 million or 1% compared with the 2018/19 Approved Budget.

TABLE 2: CONSOLIDATED OVERVIEW OF THE 2018/2019-2021/2022 BUDGET

| Description | Approved Budget 2018/2019 | Adjustment Budget 2018/2019 | Budget Year 2019/2020 | Budget Year +1 2020/2021 | Budget Year +2 2021/2022 |
|--------------------------|------------------------------------------|--------------------------------------------|--------------------------------------|-----------------------------------------|-----------------------------------------|
| | R0,00 | R0,00 | R0,00 | R0,00 | R0,00 |
| Operating Revenue | 1 790 000 | 1 790 916 | 1 829 055 | 1 983 332 | 2 133 153 |
| Operating Expenditure | 2 385 364 | 2 386 280 | 2 423 738 | 2 499 093 | 2 572 295 |
| Surplus/(Deficit) | -595 364 | -595 364 | -594 683 | -515 761 | -439 142 |
| Capital Expenditure | 285 258 | 314 227 | 281 797 | 298 503 | 322 538 |
| TOTAL BUDGET | 2 670 622 | 2 700 507 | 2 705 535 | 2 797 596 | 2 894 833 |

The Municipality has budgeted for a deficit of R -594.6m, but after taking into account the non-cash expenditure items like depreciation and provision for bad debts, if these items are removed the budget is on surplus of R170.3 million and it is noted that the deficit is being gradually phased out over a number of years and the Municipality anticipate to budget for surplus within the next five financial years.

Financial management reforms emphasises the importance of municipal budgets being funded. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2019/20 MTREF is not funded owing to the significant deficit.

The 2019/20 budget is constrained by the historical inadequate budgeting.

- Lower customer payment rate contribute in resources constrains.
- The Municipality is experiencing higher water and electricity losses from the illegal use of Municipal Services.
- Debt collections remains a problem in townships and villages. The Municipality require customer payments in order to provide adequate level of services.
- The 2019/20 budget has focused mainly on repairs and maintenance and water services in order to boost customer confidence.

As part of the reduction of the deficit the municipality is:

- Planning to take over the service of house waste removal from out sourced service providers and employ enough staff to carry the service ourselves.
- Cost of electricity study that will enable the municipality to charge cost reflective tariff
- To seek intervention with regard to completion of Brits purification plant so that consistent supply of water can be achieved and community can pay for water use.
- Implement cost containment policy by ensuring that only service delivery items are prioritised.

I recommend that the Council approves and adopts the following resolutions:

1.2 FINAL COUNCIL RESOLUTIONS

See attached Report

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

National Treasury's MFMA Circulars No. 28, 42, 51, 54, 55, 58, 59, 66, 67, 70, 71, 72, 74, 75, 78, 79, 85, 86, 89, 91, 93, 94 and budget related regulation no 32141 of 17 April 2009 and Chapter 4, 7 etc. of the MFMA were used to guide the compilation of the 2019/20 MTREF.

The main challenges experienced during the compilation of the 2019/20 MTREF can be summarized as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Rand Water, city of Tshwane and Eskom), which is placing upward pressure on service tariffs to

residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;

- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Challenges in implementing capital projects – original grant allocation has been reduced by R 60m and the expenditure associated with prior year's capital projects needed to be factored into the budget as part of the 2019/20 MTREF process; and

The following budget principles and guidelines directly informed the compilation of the 2019/20MTREF:

- The 2018/19 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2019/20 annual budget;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2019/20Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2019/20MTREF

| | Approved Budget 2018/2019 | Adjustment Budget 2018/2019 | Budget Year 1 2019/2020 | Budget Year +1 2020/2021 | Budget Year +2 2021/2022 |
|--------------------------|---------------------------------|-----------------------------------|-------------------------------|--------------------------------|--------------------------------|
| | R0,00 | R0,00 | R0,00 | R0,00 | R0,00 |
| Operating Revenue | 1 790 000 | 1 790 916 | 1 829 055 | 1 983 332 | 2 133 153 |
| Operating Expenditure | 2 385 364 | 2 386 280 | 2 423 738 | 2 499 093 | 2 572 295 |
| Surplus/(Deficit) | -595 364 | -595 364 | -594 683 | -515 761 | -439 142 |
| Capital Expenditure | 285 258 | 314 227 | 281 797 | 298 503 | 322 538 |
| TOTAL BUDGET | 2 670 622 | 2 700 507 | 2 705 535 | 2 797 596 | 2 894 833 |

The proposed budget of Madibeng Local municipality for the 2019/20 financial year totals R 2.7 billion, comprising of R 2.4 billion Operating Expenditure and R 281.7 million for Capital expenditure. The total budget remains at 2.7billion when compared with the 2018/19 Adjustment Budget and by R 34.9 million or 1% compared with the 2018/19 Approved Budget.

1.4 Operating Revenue Framework

For Madibeng Local Municipality to continue improving the quality of services provided to its communities it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2019/20 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

NW372 Madibeng - Table A4 Budgeted Financial Performance (revenue and expenditure)

| Description R thousand | Ref 1 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Revenue By Source | | | | | | | | | | | |
| Property rates | 2 | 292 796 | 296 046 | 258 006 | 320 131 | 320 131 | 320 131 | 156 032 | 270 000 | 285 000 | 300 390 |
| Service charges - electricity revenue | 2 | 450 535 | 447 788 | 433 878 | 457 937 | 457 937 | 457 937 | 311 948 | 475 000 | 500 650 | 527 627 |
| Service charges - water revenue | 2 | 125 247 | 148 307 | 116 764 | 152 811 | 152 811 | 152 811 | 111 271 | 161 600 | 170 254 | 179 411 |
| Service charges - sanitation revenue | 2 | 29 662 | 41 724 | 44 750 | 49 140 | 49 140 | 49 140 | 33 798 | 52 275 | 55 097 | 58 072 |
| Service charges - refuse revenue | 2 | 31 443 | 33 569 | 65 366 | 53 000 | 53 000 | 53 000 | 36 042 | 53 000 | 55 862 | 58 878 |
| Rental of facilities and equipment | | 1 020 | 1 243 | 1 408 | 70 | 70 | 70 | 621 | 1 386 | 1 461 | 1 540 |
| Interest earned - external investments | | 7 717 | 4 515 | 7 030 | 6 400 | 6 400 | 6 400 | 1 683 | 6 732 | 7 090 | 7 470 |
| Interest earned - outstanding debtors | | 60 939 | 95 140 | 83 818 | 86 800 | 86 800 | 86 800 | 58 103 | 91 112 | 96 032 | 101 216 |
| Dividends received | | - | - | 48 | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 2 900 | 2 992 | 4 998 | 1 001 | 1 001 | 1 001 | 93 | 1 001 | 1 055 | 1 112 |
| Licences and permits | | 5 923 | 6 229 | 6 121 | 2 200 | 2 200 | 2 200 | 75 | 2 127 | 2 241 | 2 362 |
| Agency services | | 10 274 | 11 456 | 12 253 | 9 000 | 9 000 | 9 000 | - | 12 000 | 12 648 | 13 000 |
| Transfers and subsidies | | 442 428 | 506 007 | 780 488 | 627 887 | 628 803 | 628 803 | 472 215 | 699 244 | 772 980 | 857 859 |
| Other revenue | 2 | 12 773 | 49 854 | 39 459 | 7 644 | 7 644 | 7 644 | 2 427 | 3 579 | 3 762 | 3 960 |
| Gains on disposal of PPE | | 4 426 | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 1 478 083 | 1 644 870 | 1 854 386 | 1 774 020 | 1 774 936 | 1 774 936 | 1 184 309 | 1 829 055 | 1 964 132 | 2 112 897 |

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. In the 2018/19 financial year, revenue from rates and services charges totaled R1.033 billion or 58 per cent. This decreases to R1.011 billion, R1.066 billion and R1.124 billion in the respective financial years of the MTREF.

The above table excludes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in Table 64 MBRR SA1.

Property rates is the third largest revenue source totaling 15 per cent or R270 million rand and increases to R285 million by 2020/21. The third largest sources is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees. Departments have been urged to review the tariffs of these items on an annual basis to ensure they are cost reflective and market related.

Operating grants and transfers totals R699.2 million in the 2019/20 financial year and steadily increases to R772.9 billion by 2020/21. Note that the year-on-year growth for the 2019/20 financial year is 11 per cent and then remains 11 per cent in the two outer years. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts

| Description | Approved Budget 2018/2019 | Adjusted Budget 2018/2019 | Budget Year 2019/2020 | Budget Year +1 2020/2021 | Budget Year +2 2021/2022 |
|---------------------------------|------------------------------------------|------------------------------------------|----------------------------------|-----------------------------------------|-----------------------------------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Equitable Share | 624 943 | 624 943 | 695 606 | 770 313 | 854 928 |
| Financial Management Grant | 1 770 | 1 770 | 2 235 | 2 667 | 2 931 |
| Expanded Public Works Programme | 1 174 | 1 174 | 1 403 | — | — |
| Library Grant | — | 916 | — | — | — |
| Total Operating Grants | 627 887 | 628 803 | 699 244 | 772 980 | 857 859 |

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Rand Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and water tariffs are largely outside the control of the Municipality. Discounting the impact of these price increases in lower consumer tariffs will erode the Municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilized for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, *inter alia* with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R25 000 reduction on the market value of a property will be granted in terms of the Municipality's own Property Rates Policy;
- 35 per cent rebate will be granted on all residential properties (including state owned residential properties);
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependents without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2019/20 financial year based on a 5.6 per cent increase from 1 July 2019 is contained below:

Table 4 Comparison of proposed rates to levied for the 2019/20financial year

| Category | Current Tariff (1 July 2018) | Proposed tariff (from 1 July 2019) |
|----------------------------------------|-----------------------------------------|-----------------------------------------------|
| | C | C |
| Residential properties | 0,007715 | 0,007715 |
| State owned properties | 0,017375 | 0,019112 |
| Business & Commercial | 0,011033 | 0,011033 |
| Agricultural | 0,001929 | 0,001929 |
| Vacant land | 0,015182 | 0,015971 |
| Industrial | 0,011033 | 0,011033 |
| Non-permitted use | 0,055886 | 0,061475 |
| Public benefit organisation properties | 100% | 100% |

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

Better maintenance of infrastructure and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Rand Water has increased its bulk tariffs with **7.9 per cent** from 1 July 2019.

A tariff increase of 5.6 per cent from 1 July 2019 for water is proposed and 6 kℓ water per 30-day period will be granted free of charge to all residents.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 5 Proposed Water Tariffs

| CATEGORY | CURRENT TARIFFS 01-Jul-18 | PROPOSED TARIFFS 01-Jul-19 |
|----------------------------|---------------------------------|----------------------------------|
| | Rand per kℓ | Rand per kℓ |
| RESIDENTIAL | | |
| 0 – 6 kℓ per month | 10.37 | 10.91 |
| Above 6 – 10 kℓ per month | 13.15 | 1384 |
| Above 10 – 15 kℓ per month | 18.42 | 19.37 |
| Above 15 – 20 kℓ per month | 19.54 | 20.56 |
| Above 20 – 30 kℓ per month | 21.8 | 22.93 |
| Above 30 – 40 kℓ per month | 22.93 | 24.12 |

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling house:

Table 6 Comparison between current water charges and increases (Domestic)

| Monthly consumption kℓ | Current amount payable R | Proposed amount payable R | Difference (Increase) R | Percentage change |
|------------------------------|-----------------------------------|---------------------------------|-------------------------------|----------------------|
| 20 | 436 | 458.6 | 22.6 | 5,2% |
| 30 | 687.9 | 723.6 | 35.7 | 5,2% |

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA had not announced the revised bulk electricity pricing structure. The municipality in line with CPI guide proposed a 5.2 percent increase.

Registered indigents will again be granted 50 kWh per 30-day period free of charge.

The following table shows the impact of the proposed increases in electricity tariffs charges for domestic customers:

Table 7 Comparison between current electricity charges and increases (Domestic)

| Description | Monthly consumption kWh | Current amount payable R | Proposed amount payable R | Difference (Increase) R | Percentage change |
|-----------------------|-------------------------|--------------------------|---------------------------|-------------------------|-------------------|
| Service Charge | | 113,10 | 127.88 | 14.78 | 13.07% |
| Single phase | | | | | |
| 1 x 10 A | 100 | 138,50 | 156.60 | 18.10 | 13.07% |
| 1 x 15 A | 100 | 207,75 | 234.90 | 27.15 | 13.07% |
| THREE PHASE | | | | | |
| 3 x 20 A | 100 | 958,20 | 1083.44 | 125.24 | 13.07% |
| 3 x 30 A | 100 | 1 437,30 | 1625.16 | 187.86 | 13.07% |

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

The inadequate electricity bulk capital Municipality and the impact on service delivery and development remains a challenge for the Municipality. The approved budget for the Electricity Division can only be utilised for certain committed upgrade projects and to strengthen critical infrastructure (e.g. substations without back-up supply).

Owing to the high increases in Eskom's bulk tariffs, it is clearly not possible to fund these necessary upgrades through increases in the municipal electricity tariff – as the resultant tariff increases would be unaffordable for the consumers.

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 5.2 per cent for sanitation from 1 July 2019 is proposed. This is based on the input cost assumptions related to water. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation (100 per cent of 6 kl water) will be applicable to registered indigents; and
- The total revenue expected to be generated from rendering this service amounts to R52.2 million for the 2019/20 financial year.

The following table compares the current and proposed tariffs:

Table 8 Comparison between current sanitation charges and increases

| CATEGORY | CURRENT TARIFFS 01-Jul-18 | PROPOSED TARIFFS 01-Jul-19 |
|----------------------------|------------------------------|----------------------------------|
| | Rand per kℓ | Rand per kℓ |
| RESIDENTIAL | | |
| 0 – 6 kℓ per month | 4,1 | 4,3 |
| Above 6 – 10 kℓ per month | 4,8 | 5,0 |
| Above 10 – 15 kℓ per month | 5,7 | 6,0 |
| Above 15 – 20 kℓ per month | 6,7 | 7,0 |
| Above 20 – 30 kℓ per month | 7,9 | 8,3 |
| Above 30 – 40 kℓ per month | 9,3 | 9,8 |

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

Table 9 Comparison between current sanitation charges and increases, single dwelling-houses

| Monthly sanitation consumption kℓ | Current amount payable R | Proposed amount payable R | Difference (5,2% increase) R |
|--------------------------------------|-----------------------------|------------------------------|------------------------------------|
| 5 | 20,5 | 21,6 | 1,1 |
| 10 | 48,0 | 50,5 | 2,5 |
| 20 | 134,0 | 141,0 | 7,0 |
| 30 | 237,0 | 249,3 | 12,3 |
| 40 | 372,0 | 391,3 | 19,3 |

1.4.5 Waste Removal and Impact of Tariff Increases

Currently solid waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The Municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long-term. The main contributor to this deficit is contracted services and the cost of remuneration. Considering the deficit, it is recommended that the service to be insourced and the plan is that when contracts of waste removal contractors end, we do not renew but deploy our own staff.

A 5.2 per cent increase in the waste removal tariff is proposed from 1 July 2019. Higher increases will not be viable in 2019/20. Any increase higher than 5.2 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2011:

Table 10 Comparison between current waste removal fees and increases

| Description | Monthly consumption kWh | Current amount payable R | Proposed amount payable R | Difference (Increase) R | Percentage change |
|-------------------------------|-----------------------------------------------------|--------------------------|---------------------------|-------------------------|-------------------|
| RESIDENTIAL PROPERTIES | Refuse service charge (240 L bin) | 109,81 | 115,52 | 5,71 | 5,2% |
| PRIVATE DEVELOPED RESIDENTIAL | Refuse service charge per number of dwellings/flats | 89,54 | 94,20 | 4,66 | 5,2% |
| PENSIONERS | Refuse service charge (240 L bin) | 54,90 | 57,75 | 2,85 | 5,2% |

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 11 MBRR Table SA14 – Household bills

NW372 Madibeng - Supporting Table SA14 Household bills

| Description Rand/cent | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | | |
|-------------------------------------------------------|-----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|---------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 % incr. | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| | | | | | | | | | | | |
| Monthly Account for Household - 'Middle Income Range' | 1 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 476,26 | 501,52 | 440,40 | 463,74 | 463,74 | 463,74 | 5,2% | 487,86 | 514,20 | 541,97 |
| Electricity: Basic levy | | - | - | | | | | | | | |
| Electricity: Consumption | | 1 214,40 | 1 278,80 | 1 310,75 | 1 399,88 | 1 399,88 | 1 399,88 | 5,2% | 1 472,67 | 1 552,19 | 1 636,01 |
| Water: Basic levy | | 32,50 | 34,22 | 36,86 | 38,82 | 38,82 | 38,82 | 5,2% | 40,83 | 43,04 | 45,36 |
| Water: Consumption | | 264,00 | 278,00 | 299,44 | 315,31 | 315,31 | 315,31 | 5,2% | 331,70 | 349,61 | 368,49 |
| Sanitation | | 243,66 | 256,58 | 276,37 | 291,01 | 291,01 | 291,01 | 5,2% | 306,15 | 322,68 | 340,10 |
| Refuse removal | | 78,25 | 82,40 | 88,75 | 93,46 | 93,46 | 93,46 | 5,2% | 98,32 | 103,63 | 109,22 |
| Other | sub-total | | | | | | | | - | - | - |
| | | 2 309,07 | 2 431,52 | 2 452,56 | 2 602,21 | 2 602,21 | 2 602,21 | 5,2% | 2 737,52 | 2 885,35 | 3 041,16 |
| VAT on Services | | 323,27 | 340,41 | 343,36 | 390,33 | 390,33 | 390,33 | | 410,63 | 432,80 | 456,17 |
| Total large household bill: | | 2 632,34 | 2 771,93 | 2 795,92 | 2 992,54 | 2 992,54 | 2 992,54 | 5,2% | 3 148,15 | 3 318,15 | 3 497,33 |
| % increase/-decrease | | | 5,3% | 0,9% | 7,0% | - | - | | 5,2% | 5,4% | 5,4% |
| Monthly Account for Household - 'Affordable Range' | 2 | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 9,30 | 58,25 | 183,24 | 192,95 | 192,95 | 192,95 | 5,2% | 202,98 | 213,94 | 225,49 |
| Electricity: Basic levy | | - | - | - | | | | | - | - | - |
| Electricity: Consumption | | 73,92 | 160,00 | 79,78 | 85,21 | 85,21 | 85,21 | 5,2% | 89,64 | 94,48 | 99,58 |
| Water: Basic levy | | 32,50 | 34,22 | 36,86 | 38,82 | 38,82 | 38,82 | 5,2% | 40,83 | 43,04 | 45,36 |
| Water: Consumption | | 79,20 | 83,40 | 89,83 | 94,59 | 94,59 | 94,59 | 5,2% | 99,51 | 104,88 | 110,55 |
| Sanitation | | 111,24 | 117,14 | 126,17 | 132,86 | 132,86 | 132,86 | 5,2% | 139,77 | 147,31 | 155,27 |
| Refuse removal | | 78,25 | 82,40 | 88,75 | 93,46 | 93,46 | 93,46 | 5,2% | 98,32 | 103,63 | 109,22 |
| Other | sub-total | | | | | | | | - | - | - |
| | | 384,41 | 535,41 | 604,64 | 637,88 | 637,88 | 637,88 | 5,2% | 671,05 | 707,29 | 745,48 |
| VAT on Services | | 53,82 | 74,96 | 84,65 | 95,68 | 95,68 | 95,68 | 5,2% | 100,66 | 106,09 | 111,82 |
| Total small household bill: | | 438,23 | 610,37 | 689,29 | 733,56 | 733,56 | 733,56 | 5,2% | 771,71 | 813,38 | 857,30 |
| % increase/-decrease | | | 39,3% | 12,9% | 6,4% | - | - | | 5,2% | 5,4% | 5,4% |
| Monthly Account for Household - 'Indigent' | 3 | | | | | | | | | | |
| Household receiving free basic services | | | | | | | | | | | |
| Rates and services charges: | | | | | | | | | | | |
| Property rates | | 9,30 | 9,79 | 9,30 | 9,79 | 9,79 | 9,79 | 5,2% | 10,30 | 10,86 | 11,44 |
| Electricity: Basic levy | | - | - | - | | | | | - | - | - |
| Electricity: Consumption | | 73,92 | 77,84 | 79,78 | 85,21 | 85,21 | 85,21 | 5,2% | 89,64 | 94,48 | 99,58 |
| Water: Basic levy | | 32,50 | 34,22 | 36,86 | 38,82 | 38,82 | 38,82 | 5,2% | 40,83 | 43,04 | 45,36 |
| Water: Consumption | | 79,20 | 83,40 | 89,83 | 94,59 | 94,59 | 94,59 | 5,2% | 99,51 | 104,88 | 110,55 |
| Sanitation | | 111,24 | 117,14 | 126,17 | 132,86 | 132,86 | 132,86 | 5,2% | 139,77 | 147,31 | 155,27 |
| Refuse removal | | 78,25 | 82,40 | 88,75 | 93,46 | 93,46 | 93,46 | 5,2% | 98,32 | 103,63 | 109,22 |
| Other | sub-total | | | | | | | | - | - | - |
| | | 384,41 | 404,79 | 430,70 | 454,73 | 454,73 | 454,73 | 5,2% | 478,37 | 504,20 | 531,43 |
| VAT on Services | | 73,33 | 95,69 | 60,30 | 68,21 | 68,21 | 68,21 | 5,2% | 71,76 | 75,63 | 79,71 |
| Total small household bill: | | 457,74 | 500,48 | 491,00 | 522,93 | 522,93 | 522,93 | 5,2% | 550,13 | 579,83 | 611,14 |
| % increase/-decrease | | | 9,3% | (1,9%) | 6,5% | - | - | | 5,2% | 5,4% | 5,4% |

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2019/20 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan, no funding allocation can be made.

The following table is a high-level summary of the 2019/20 budget and MTREF (classified per main type of operating expenditure):

Table 12 Summary of operating expenditure by standard classification item

| R thousand | 1 | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
|---------------------------------|------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|-------------------|---------------------|------------------------|------------------------|
| Expenditure By Type | | | | | | | | | | | |
| Employee related costs | 2 | 358 844 | 392 302 | 425 241 | 390 960 | 401 264 | 401 264 | 301 409 | 470 000 | 498 656 | 524 321 |
| Remuneration of councillors | | 23 727 | 25 456 | 30 531 | 32 370 | 32 370 | 32 370 | 19 774 | 33 242 | 35 037 | 36 929 |
| Debt impairment | 3 | 228 753 | 157 979 | (128 998) | 280 000 | 280 000 | 280 000 | 80 898 | 275 000 | 235 000 | 190 000 |
| Depreciation & asset impairment | 2 | 483 686 | 458 952 | 474 336 | 552 750 | 552 750 | 552 750 | 637 | 490 000 | 516 460 | 544 349 |
| Finance charges | | 115 680 | 131 937 | 160 510 | 110 500 | 110 500 | 110 500 | 94 705 | 140 501 | 148 088 | 156 085 |
| Bulk purchases | 2 | 472 484 | 452 876 | 505 968 | 550 000 | 535 000 | 535 000 | 383 932 | 560 000 | 590 240 | 622 113 |
| Other materials | 8 | 112 585 | 121 177 | 23 119 | 26 541 | 26 076 | 26 076 | 13 382 | 26 320 | 27 741 | 29 239 |
| Contracted services | | 129 644 | 259 308 | 189 535 | 271 888 | 247 928 | 247 928 | 128 566 | 235 075 | 243 959 | 254 485 |
| Transfers and subsidies | | 22 610 | 20 879 | 2 343 | 4 000 | 4 051 | 4 051 | 4 051 | 4 500 | 4 600 | 4 700 |
| Other expenditure | 4, 5 | 197 585 | 248 129 | 482 314 | 166 355 | 200 565 | 200 565 | 105 077 | 189 101 | 199 312 | 210 075 |
| Loss on disposal of PPE | | 132 128 | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 2 277 726 | 2 268 996 | 2 164 899 | 2 385 364 | 2 390 503 | 2 390 503 | 1 132 433 | 2 423 738 | 2 499 093 | 2 572 295 |
| Surplus/(Deficit) | | (799 643) | (624 126) | (310 513) | (611 345) | (615 568) | (615 568) | 51 876 | (594 683) | (534 962) | (459 397) |

The budgeted allocation for employee related costs for the 2019/20 financial year totals R470 million, which equals 19 per cent of the total operating expenditure. Based on the three year collective SALGBC agreement, salary increases have been factored into this budget at a percentage increase of 6.7 per cent for the 2019/20 financial year. Expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 75 per cent and the Debt Write-off Policy of the Municipality. For the 2019/20 financial year this amount equates to R275 million and decrease to R235 million by 2020/21. While this expenditure is

considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

The Municipality's Asset Management Policy has informed provision for depreciation and asset impairment. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R490 million for the 2019/20 financial and equates to 20 per cent of the total operating expenditure.

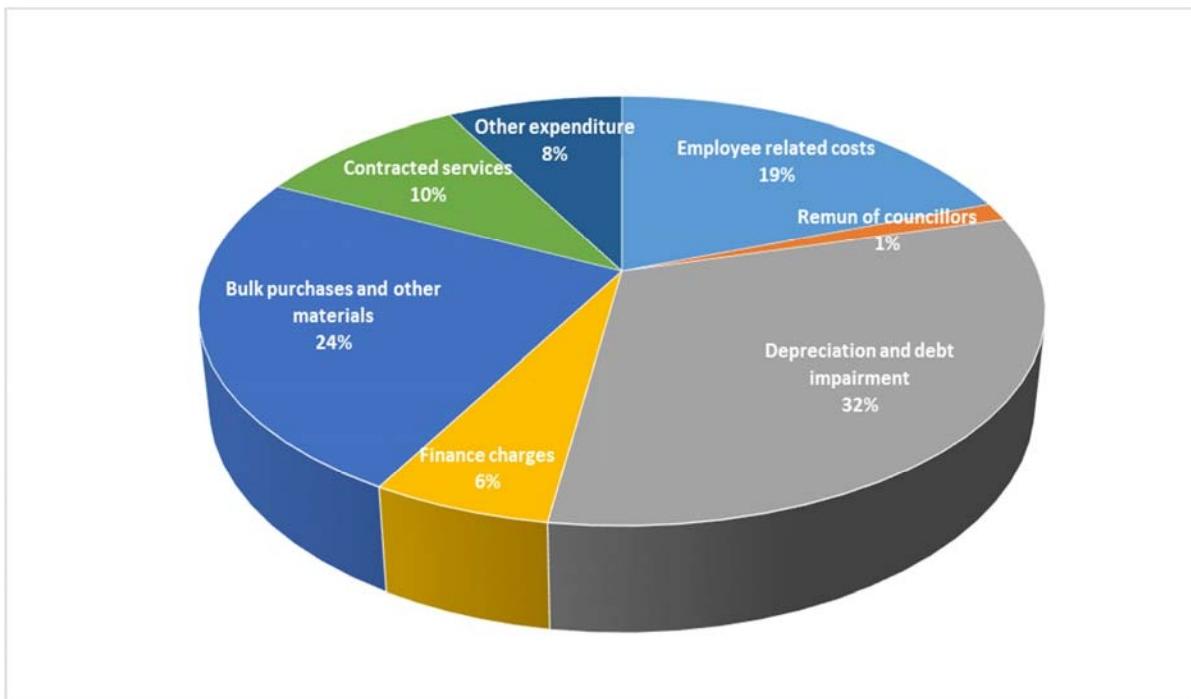
Finance charges consist primarily of the repayment of interest on long-term borrowing. Finance charges make up 6 per cent (R140.5 million) of operating expenditure excluding annual redemption for 2019/20 and increases to R148 million by 2020/21.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Rand Water and City of Tshwane. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions.

As part of the compilation of the 2019/20 MTREF contracted services expenditure was critically evaluated and operational efficiencies were enforced. In the 2019/20 financial year, this expenditure totals R235 million and make up 10 per cent of operating expenditure. For the two outer years growth has been limited to 5.3 and 5.6 per cent. As part of the process of identifying further cost efficiencies, alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out. The outcome of this exercise will be factored into the next budget cycle and it is envisaged that additional cost savings will be implemented. Further details relating to contracted services can be seen in Table 64 MBRR SA1.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has been identified as an area in which cost savings and efficiencies can be achieved. It has decreased by 5 per cent for 2019/20 and the growth has been curbed at 4 per cent for the two outer years, indicating that significant cost savings have been already realised.

The following table gives a breakdown of the main expenditure categories for the 2019/20 financial year.

Figure 1 Main operational expenditure categories for the 2019/20 financial year

1.5.1 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 5 000 or more indigent households during the 2019/20 financial year, a process reviewed annually. Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 13 2019/20 Medium-term capital budget per vote

| Vote Description R thousand | Ref 1 | 2015/16 | | | 2016/17 | | | 2017/18 | | | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|----------------------------------------------------------|----------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|----------------------|------------------------|---------------------------|---------------------------|--|--|-----------------------------------------------------|--|--|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | | | | | |
| Vote 01 - Executive Council | | - | - | 86 | - | - | - | - | - | - | - | | | | | |
| Vote 02 - Municipal Manager | | - | - | - | - | - | - | - | - | - | - | | | | | |
| Vote 03 - Chief Operating Officer | | - | - | - | - | 28 | 28 | 28 | - | - | - | | | | | |
| Vote 04 - Corporate Support Services | | - | - | 3 652 | - | 28 084 | 28 084 | 24 244 | - | - | - | | | | | |
| Vote 05 - Budget And Treasury Office | | 1 585 | 1 065 | 228 | - | 767 | 767 | 669 | - | - | - | | | | | |
| Vote 06 - Infrastructure And Technical Services | | 258 844 | 216 850 | 192 380 | 275 758 | 275 794 | 275 794 | 116 508 | 281 797 | 317 703 | 342 794 | | | | | |
| Vote 07 - Community Services | | 2 730 | 15 251 | 2 447 | 9 500 | 9 500 | 9 500 | 409 | - | - | - | | | | | |
| Vote 08 - Human Settlement | | - | - | 1 486 | - | - | - | - | - | - | - | | | | | |
| Vote 09 - Economic Dev, Tourism & Agriculture | | - | - | - | - | - | - | - | - | - | - | | | | | |
| Vote 10 - Public Safety, Fleet And Facilities Management | | 25 841 | 19 449 | 16 437 | - | 313 | 313 | 117 | - | - | - | | | | | |
| Vote 11 - Internal Audit | | - | - | 10 | - | 51 | 51 | 51 | - | - | - | | | | | |
| Vote 12 - Risk Management | | - | - | - | - | - | - | - | - | - | - | | | | | |
| Vote 13 - [Name Of Vote 13] | | - | - | - | - | - | - | - | - | - | - | | | | | |
| Vote 14 - [Name Of Vote 14] | | - | - | - | - | - | - | - | - | - | - | | | | | |
| Vote 15 - Other | | - | - | - | - | - | - | - | - | - | - | | | | | |
| Capital single-year expenditure sub-total | | 289 000 | 252 614 | 216 725 | 285 258 | 314 537 | 314 537 | 142 026 | 281 797 | 317 703 | 342 794 | | | | | |

For 2019/20 an amount of R281.7 million has been appropriated for the development of infrastructure. In the outer years this amount totals R31707 million, and R34207 million, respectively for each of the financial years.

Figure 2 Capital Infrastructure Programme

| DESCRIPTION | WARDS | PROPOSED BUDGET 2019/20 | BUDGET 2020/21 | BUDGET 2021/22 | Funding Source |
|-----------------------------------------------------------------------------------|--------------------|----------------------------|-------------------------|-------------------------|-------------------|
| KLIPGAT EXTENTION WATER SUPPLY | 24,8,36,37 | R 40 000 000.00 | R 30 000 000.00 | R 35 000 000.00 | MIG |
| HEBRON/ KGABALATSANE/ ROCKVILLE/ITSOSENG/ WATER | 10,15,16,41 | R 56 200 000.00 | R 35 000 000.00 | R 45 000 000.00 | MIG |
| HEBRON TO MADIDI BULK WATER PIPELINE (bulk water supply from BWTW to Hebron rese | 3 | R 29 600 000.00 | R 30 000 000.00 | R 40 000 000.00 | MIG |
| INDUSTRIAL SEWER DE KROON | 21 | R 1 200 000.00 | | | MIG |
| KLIPGAT SANITATION PROJECT | 24,8,36,37 | R 48 810 000.00 | R 40 000 000.00 | R 40 000 000.00 | MIG |
| WARD 1 VIP TOILETS | 1 | | R 12 000 000.00 | R 15 000 000.00 | MIG |
| UPGRADING OF MOTHOTLUNG OUTFALL SEWER | 20 | | R 10 000 000.00 | R 12 000 000.00 | MIG |
| UPGRADING OF OUKASIE OUTFALL SEWER | 13;14;22, | | R 11 000 000.00 | R 11 000 000.00 | MIG |
| WATER SUPPLY AUGMENTATION: BOREHOLES | 1,2,25,26,27,29,34 | | R 15 000 000.00 | R 15 000 000.00 | MIG |
| HIGH MASS LIGHT ENERGISING | 10,15,16,41 | R 2 697 150.00 | R 2 577 850.00 | R 2 411 100.00 | MIG |
| UPGRADING OF INTERNAL ROADS OF CLUSTER 1(| 7,25,28,31 | R 10 000 000.00 | R 13 000 000.00 | R 12 000 000.00 | MIG |
| UPGRADING OF INTERNAL ROADS OF CLUSTER 2 | 17,18,19,20,21,35 | R 10 000 000.00 | R 12 000 000.00 | R 12 000 000.00 | MIG |
| UPGRADING OF INTERNAL ROADS OF CLUSTER 3 | 10,15,16,41 | R 10 000 000.00 | R 12 000 000.00 | R 12 000 000.00 | MIG |
| UPGRADING OF INTERNAL ROADS OF CLUSTER 4 | 3,8,24,36,37 | R 10 000 000.00 | R 12 000 000.00 | R 12 000 000.00 | MIG |
| UPGRADING OF INTERNAL ROADS OF CLUSTER 5 | 9,11,12,38 | R 10 000 000.00 | R 13 000 000.00 | R 12 000 000.00 | MIG |
| UPGRADING OF INTERNAL ROADS OF CLUSTER 6 | 1,2 | R 10 000 000.00 | R 12 000 000.00 | R 12 000 000.00 | MIG |
| UPGRADING OF INTERNAL ROADS OF CLUSTER 7 | 4,5,6,34 | R 10 000 000.00 | R 12 000 000.00 | R 12 000 000.00 | MIG |
| UPGRADING OF INTERNAL ROADS OF CLUSTER 8 | 17,18,19 | R 10 000 000.00 | R 12 000 000.00 | R 7 000 000.00 | MIG |
| MABOLOKA SPORTS FACILITY | 4,5,6 | R 9 200 000.00 | | | MIG |
| PMU OPERATIONS AND MANAGEMENT | | R 14 089 850.00 | R 14 925 150.00 | R 16 126 900.00 | MIG |
| TOTAL MIG | | R 281 797 000.00 | R 298 503 000.00 | R 322 538 000.00 | MIG |
| REFURBISHMENT OF LETLHABILE A SUBSTATION | 13;21;22,39 | | R 19 200 000.00 | R 20 256 000.00 | INEP |
| TOTAL | | R 281 797 000.00 | R 317 703 000.00 | R 342 794 000.00 | |

1.7 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/20 budget and MTREF as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

Table 14 MBRR Table A1 - Budget Summary

| Description | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | | |
|---------------------------------------------------------------|-------------|-----------------|-----------------|----------------------|-----------------|-----------------|--------------------|-----------------------------------------------------|---------------------|------------------------|------------------------|
| | R thousands | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Financial Performance | | | | | | | | | | | |
| Property rates | 292 796 | 296 046 | 258 006 | 320 131 | 320 131 | 320 131 | 156 032 | 270 000 | 285 000 | 300 390 | |
| Service charges | 636 887 | 671 388 | 660 758 | 712 887 | 712 887 | 712 887 | 493 058 | 741 875 | 781 863 | 823 988 | |
| Investment revenue | 7 717 | 4 515 | 7 030 | 6 400 | 6 400 | 6 400 | 1 683 | 6 732 | 7 090 | 7 470 | |
| Transfers recognised - operational | 442 428 | 506 007 | 780 488 | 627 887 | 628 803 | 628 803 | 472 215 | 699 244 | 772 980 | 857 859 | |
| Other own revenue | 98 255 | 166 914 | 148 105 | 106 715 | 106 715 | 106 715 | 61 320 | 111 204 | 117 199 | 123 190 | |
| Total Revenue (excluding capital transfers and contributions) | 1 478 083 | 1 644 870 | 1 854 386 | 1 774 020 | 1 774 936 | 1 774 936 | 1 184 309 | 1 829 055 | 1 964 132 | 2 112 897 | |
| Employee costs | 358 844 | 392 302 | 425 241 | 390 960 | 401 264 | 401 264 | 301 409 | 470 000 | 498 656 | 524 321 | |
| Remuneration of councillors | 23 727 | 25 456 | 30 531 | 32 370 | 32 370 | 32 370 | 19 774 | 33 242 | 35 037 | 36 929 | |
| Depreciation & asset impairment | 483 686 | 458 952 | 474 336 | 552 750 | 552 750 | 552 750 | 637 | 490 000 | 516 460 | 544 349 | |
| Finance charges | 115 680 | 131 937 | 160 510 | 110 500 | 110 500 | 110 500 | 94 705 | 140 501 | 148 088 | 156 085 | |
| Materials and bulk purchases | 585 069 | 574 053 | 529 087 | 576 541 | 561 076 | 561 076 | 397 314 | 586 320 | 617 981 | 651 352 | |
| Transfers and grants | 22 610 | 20 879 | 2 343 | 4 000 | 4 051 | 4 051 | 4 051 | 4 500 | 4 600 | 4 700 | |
| Other expenditure | 688 110 | 665 417 | 542 851 | 718 243 | 728 492 | 728 492 | 314 541 | 699 176 | 678 271 | 654 560 | |
| Total Expenditure | 2 277 726 | 2 268 996 | 2 164 899 | 2 385 364 | 2 390 503 | 2 390 503 | 1 132 433 | 2 423 738 | 2 499 093 | 2 572 295 | |
| Surplus/(Deficit) | (799 643) | (624 126) | (310 513) | (611 345) | (615 568) | (615 568) | 51 876 | (594 683) | (534 962) | (459 397) | |
| Transfers and subsidies - capital (monetary allocations) (Na | 296 832 | 260 211 | – | 285 258 | 285 258 | 285 258 | 285 258 | 281 797 | 317 703 | 342 794 | |
| Contributions recognised - capital & contributed assets | – | – | – | – | – | – | – | – | – | – | |
| Surplus/(Deficit) after capital transfers & contributions | (502 811) | (363 915) | (310 513) | (326 087) | (330 310) | (330 310) | 337 134 | (312 886) | (217 259) | (116 603) | |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – | – | – | – | – | |
| Surplus/(Deficit) for the year | (502 811) | (363 915) | (310 513) | (326 087) | (330 310) | (330 310) | 337 134 | (312 886) | (217 259) | (116 603) | |
| Capital expenditure & funds sources | | | | | | | | | | | |
| Capital expenditure | 289 000 | 252 614 | 216 725 | 285 258 | 314 537 | 314 537 | 142 026 | 281 797 | 317 703 | 342 794 | |
| Transfers recognised - capital | 283 205 | 232 101 | 186 967 | 285 258 | 285 258 | 285 258 | 116 910 | 281 797 | 317 703 | 342 794 | |
| Borrowing | – | – | – | – | – | – | – | – | – | – | |
| Internally generated funds | 5 796 | 20 513 | 29 758 | – | 29 279 | 29 279 | 25 116 | – | – | – | |
| Total sources of capital funds | 289 000 | 252 614 | 216 725 | 285 258 | 314 537 | 314 537 | 142 026 | 281 797 | 317 703 | 342 794 | |
| Financial position | | | | | | | | | | | |
| Total current assets | 398 955 | 562 855 | 768 629 | 498 183 | 498 183 | 498 183 | 2 512 631 | 893 505 | 1 000 857 | 1 161 494 | |
| Total non current assets | 6 394 782 | 6 108 221 | 5 699 728 | 6 395 937 | 6 425 217 | 6 425 217 | 5 842 164 | 6 230 963 | 6 553 716 | 6 901 560 | |
| Total current liabilities | 522 797 | 705 284 | 598 650 | 270 095 | 270 095 | 270 095 | 1 822 681 | 726 655 | 642 742 | 559 629 | |
| Total non current liabilities | 1 057 948 | 1 192 091 | 1 407 119 | 1 074 060 | 1 074 060 | 1 074 060 | 1 258 493 | 1 379 342 | 1 450 137 | 1 519 688 | |
| Community wealth/Equity | 5 212 992 | 4 773 701 | 4 462 588 | 5 549 966 | 5 579 245 | 5 579 245 | 5 273 620 | 5 018 472 | 5 461 694 | 5 983 738 | |
| Cash flows | | | | | | | | | | | |
| Net cash from (used) operating | 297 077 | 106 908 | 92 635 | 350 358 | 341 206 | 381 206 | 113 521 | 316 869 | 406 566 | 477 432 | |
| Net cash from (used) investing | (289 187) | (252 563) | (215 083) | (301 005) | (311 487) | (311 487) | (83 914) | (281 797) | (317 703) | (342 794) | |
| Net cash from (used) financing | 2 307 | 109 856 | 122 774 | – | – | – | – | – | – | – | |
| Cash/cash equivalents at the year end | 69 155 | 33 357 | 33 692 | 20 118 | 30 203 | 70 203 | 30 091 | 63 994 | 152 857 | 287 494 | |
| Cash backing/surplus reconciliation | | | | | | | | | | | |
| Cash and investments available | 85 257 | 46 151 | 46 730 | 70 665 | 70 665 | 70 665 | (158 562) | 76 794 | 165 707 | 300 394 | |
| Application of cash and investments | 419 287 | 556 754 | (56 914) | (40 421) | (54 024) | (69 139) | (1 593 131) | (11 831) | (116 323) | (212 681) | |
| Balance - surplus (shortfall) | (334 030) | (510 603) | 103 644 | 111 085 | 124 688 | 139 803 | 1 434 569 | 88 625 | 282 029 | 513 075 | |
| Asset management | | | | | | | | | | | |
| Asset register summary (MDV) | 6 086 568 | 5 778 180 | 5 148 122 | 6 382 248 | 6 411 218 | 6 411 218 | 6 411 218 | 6 218 163 | 6 540 866 | 6 888 660 | |
| Depreciation | 483 686 | 458 952 | 474 336 | 552 750 | 552 750 | 552 750 | 552 750 | 490 000 | 516 460 | 544 349 | |
| Renewal and Upgrading of Existing Assets | – | – | 104 089 | 130 758 | 130 758 | 130 758 | 130 758 | – | – | – | |
| Repairs and Maintenance | 112 585 | 122 069 | 96 818 | 92 793 | 93 383 | 93 383 | 93 383 | 87 710 | 92 446 | 97 438 | |
| Free services | | | | | | | | | | | |
| Cost of Free Basic Services provided | 11 120 | 10 778 | 10 436 | 22 785 | 22 785 | 22 785 | 20 229 | 20 229 | 21 321 | 22 473 | |
| Revenue cost of free services provided | 24 887 | – | 51 248 | 32 813 | 32 813 | 32 813 | 113 438 | 113 438 | 119 564 | 126 020 | |
| Households below minimum service level | | | | | | | | | | | |
| Water: | 89 | 81 | 103 | 106 | 106 | 106 | 112 | 112 | 118 | 124 | |
| Sanitation/sewerage: | 59 | 62 | 81 | 82 | 82 | 82 | 86 | 86 | 91 | 95 | |
| Energy: | 163 | 170 | 176 | 186 | 186 | 186 | 195 | 195 | 206 | 217 | |
| Refuse: | 383 | 399 | 420 | 453 | 453 | 453 | 476 | 476 | 502 | 529 | |

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the MTREF
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds is financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the recent slow-down in revenue collections highlighted. Consequently Council has taken a deliberate decision to ensure adequate cash-backing for all material obligations in accordance with the recently adopted Funding and Reserves Policy. This cannot be achieved in one financial year. But over the MTREF there is progressive improvement in the level of cash-backing of obligations.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs.

Table 15 MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

| Functional Classification Description R thousand | Ref 1 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|-----------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <u>Revenue - Functional</u> | | | | | | | | | | |
| Governance and administration | | 801 056 | 911 673 | 883 629 | 982 404 | 982 404 | 982 404 | 1 017 263 | 1 110 064 | 1 213 142 |
| Executive and council | | - | - | - | - | - | - | - | - | - |
| Finance and administration | | 801 056 | 911 673 | 883 629 | 982 404 | 982 404 | 982 404 | 1 017 263 | 1 110 064 | 1 213 142 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 24 455 | 11 819 | 5 378 | 2 414 | 3 330 | 3 330 | 2 353 | 2 480 | 2 614 |
| Community and social services | | 963 | 2 307 | 5 068 | 1 333 | 2 249 | 2 249 | 1 292 | 1 362 | 1 436 |
| Sport and recreation | | 171 | 202 | 186 | 71 | 71 | 71 | 60 | 63 | 66 |
| Public safety | | 20 618 | 9 310 | 123 | 1 010 | 1 010 | 1 010 | 1 001 | 1 055 | 1 112 |
| Housing | | 2 703 | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 60 | 263 283 | 223 322 | 297 632 | 297 632 | 297 632 | 300 070 | 335 474 | 361 188 |
| Planning and development | | - | 250 281 | 199 950 | 286 632 | 286 632 | 286 632 | 286 070 | 320 718 | 345 967 |
| Road transport | | 60 | 13 001 | 23 372 | 11 000 | 11 000 | 11 000 | 14 000 | 14 756 | 15 222 |
| Environmental protection | | - | 2 | - | - | - | - | - | - | - |
| Trading services | | 714 838 | 718 305 | 742 057 | 776 768 | 776 768 | 776 768 | 791 084 | 833 729 | 878 654 |
| Energy sources | | 485 352 | 487 418 | 459 581 | 487 317 | 487 317 | 487 317 | 487 467 | 513 791 | 541 477 |
| Water management | | 167 740 | 149 884 | 163 445 | 172 811 | 172 811 | 172 811 | 183 938 | 193 799 | 204 227 |
| Waste water management | | 29 675 | 41 844 | 49 382 | 57 140 | 57 140 | 57 140 | 59 891 | 63 124 | 66 533 |
| Waste management | | 32 070 | 39 160 | 69 650 | 59 500 | 59 500 | 59 500 | 59 787 | 63 015 | 66 417 |
| Other | 4 | 234 506 | - | - | 60 | 60 | 60 | 83 | 87 | 92 |
| Total Revenue - Functional | 2 | 1 774 915 | 1 905 081 | 1 854 386 | 2 059 278 | 2 060 194 | 2 060 194 | 2 110 852 | 2 281 835 | 2 455 691 |
| <u>Expenditure - Functional</u> | | | | | | | | | | |
| Governance and administration | | 1 262 400 | 1 241 368 | 719 239 | 1 356 946 | 1 377 200 | 1 377 200 | 1 354 025 | 1 373 970 | 1 390 326 |
| Executive and council | | 71 656 | 85 245 | 80 765 | 85 536 | 85 081 | 85 081 | 90 029 | 95 388 | 100 539 |
| Finance and administration | | 1 190 744 | 1 156 123 | 630 708 | 1 261 003 | 1 281 712 | 1 281 712 | 1 254 076 | 1 268 021 | 1 278 656 |
| Internal audit | | - | - | 7 766 | 10 407 | 10 407 | 10 407 | 9 920 | 10 561 | 11 132 |
| Community and public safety | | 211 596 | 178 738 | 133 077 | 105 757 | 108 505 | 108 505 | 137 815 | 146 788 | 154 714 |
| Community and social services | | 34 869 | 27 959 | 37 593 | 28 103 | 29 506 | 29 506 | 28 862 | 30 671 | 32 327 |
| Sport and recreation | | 10 254 | 16 116 | 14 821 | 15 881 | 15 776 | 15 776 | 22 382 | 23 823 | 25 110 |
| Public safety | | 138 248 | 128 910 | 70 547 | 58 220 | 59 570 | 59 570 | 74 357 | 79 274 | 83 555 |
| Housing | | 22 341 | - | 3 983 | 2 498 | 2 598 | 2 598 | 4 937 | 5 260 | 5 544 |
| Health | | 5 884 | 5 753 | 6 134 | 1 054 | 1 054 | 1 054 | 7 277 | 7 759 | 8 178 |
| Economic and environmental services | | 25 344 | 107 464 | 471 314 | 103 631 | 103 590 | 103 590 | 109 910 | 116 819 | 123 128 |
| Planning and development | | - | 26 868 | 47 968 | 40 327 | 40 266 | 40 266 | 45 165 | 48 096 | 50 693 |
| Road transport | | 24 204 | 72 920 | 422 652 | 62 438 | 62 458 | 62 458 | 64 023 | 67 953 | 71 622 |
| Environmental protection | | 1 140 | 7 676 | 694 | 866 | 866 | 866 | 722 | 770 | 812 |
| Trading services | | 765 759 | 739 018 | 838 971 | 816 118 | 798 296 | 798 296 | 818 994 | 858 333 | 900 771 |
| Energy sources | | 454 898 | 435 864 | 491 382 | 512 340 | 502 340 | 502 340 | 501 522 | 528 256 | 556 701 |
| Water management | | 209 064 | 200 303 | 248 808 | 198 199 | 194 899 | 194 899 | 225 344 | 236 691 | 248 570 |
| Waste water management | | 28 026 | 33 010 | 30 852 | 35 243 | 36 243 | 36 243 | 35 140 | 36 685 | 38 585 |
| Waste management | | 73 771 | 69 840 | 67 929 | 70 336 | 64 815 | 64 815 | 56 988 | 56 701 | 56 915 |
| Other | 4 | 12 627 | 2 408 | 2 297 | 2 913 | 2 913 | 2 913 | 2 994 | 3 183 | 3 355 |
| Total Expenditure - Functional | 3 | 2 277 726 | 2 268 996 | 2 164 899 | 2 385 364 | 2 390 503 | 2 390 503 | 2 423 738 | 2 499 093 | 2 572 295 |
| Surplus/(Deficit) for the year | | (502 811) | (363 915) | (310 513) | (326 087) | (330 310) | (330 310) | (312 886) | (217 259) | (116 603) |

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.
3. Note that as a general principle the revenues for the Trading Services should exceed their expenditures. The table highlights that this is the case for Electricity, Water and Waste water functions, but not the Waste management function. As already noted above, the municipality will be undertaking a detailed study of this function to explore ways of improving efficiencies and provide a basis for re-evaluating the function's tariff structure.
4. Other functions that show a deficit between revenue and expenditure are being financed from rates revenues and other revenue sources reflected under the Corporate Services.

Table 16 MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

| Vote Description R thousand | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|----------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 01 - Executive Council | | - | - | - | - | - | - | - | - | - |
| Vote 02 - Municipal Manager | | - | - | - | - | - | - | - | - | - |
| Vote 03 - Chief Operating Officer | | - | - | - | - | - | - | - | - | - |
| Vote 04 - Corporate Support Services | | 24 | 24 | - | - | - | - | - | - | - |
| Vote 05 - Budget And Treasury Office | | 802 377 | 910 104 | 938 132 | 1 267 662 | 1 267 662 | 1 267 662 | 1 299 060 | 1 427 767 | 1 555 936 |
| Vote 06 - Infrastructure And Technical Services | | 681 660 | 692 146 | 833 078 | 717 268 | 717 268 | 717 268 | 731 297 | 770 714 | 812 237 |
| Vote 07 - Community Services | | 33 033 | 41 670 | 55 483 | 60 904 | 61 820 | 61 820 | 61 139 | 64 440 | 67 919 |
| Vote 08 - Human Settlement | | 2 703 | - | 1 461 | - | - | - | 2 743 | 2 881 | 3 032 |
| Vote 09 - Economic Dev, Tourism & Agriculture | | 234 506 | 251 826 | 2 666 | 1 374 | 1 374 | 1 374 | 1 530 | 133 | 141 |
| Vote 10 - Public Safety, Fleet And Facilities Management | | 20 612 | 9 310 | 23 565 | 12 070 | 12 070 | 12 070 | 15 084 | 15 899 | 16 426 |
| Vote 11 - Internal Audit | | - | - | - | - | - | - | - | - | - |
| Vote 12 - Risk Management | | - | - | - | - | - | - | - | - | - |
| Vote 13 - [Name Of Vote 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [Name Of Vote 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - Other | | - | - | - | - | - | - | - | - | - |
| Total Revenue by Vote | 2 | 1 774 915 | 1 905 081 | 1 854 386 | 2 059 278 | 2 060 194 | 2 060 194 | 2 110 852 | 2 281 835 | 2 455 691 |
| Expenditure by Vote to be appropriated | 1 | | | | | | | | | |
| Vote 01 - Executive Council | | 48 762 | 85 245 | 59 301 | 65 264 | 64 664 | 64 664 | 68 700 | 72 680 | 76 605 |
| Vote 02 - Municipal Manager | | 7 139 | - | 6 028 | 4 880 | 4 880 | 4 880 | 4 173 | 4 424 | 4 662 |
| Vote 03 - Chief Operating Officer | | 15 755 | - | 17 923 | 20 022 | 19 012 | 19 012 | 23 505 | 25 012 | 26 363 |
| Vote 04 - Corporate Support Services | | 90 834 | 123 928 | 57 693 | 95 064 | 78 645 | 78 645 | 80 326 | 84 775 | 89 204 |
| Vote 05 - Budget And Treasury Office | | 1 053 765 | 1 032 195 | 391 990 | 1 043 797 | 1 050 471 | 1 050 471 | 1 018 405 | 1 019 337 | 1 016 691 |
| Vote 06 - Infrastructure And Technical Services | | 762 338 | 742 098 | 1 182 722 | 797 207 | 784 877 | 784 877 | 807 244 | 849 579 | 894 393 |
| Vote 07 - Community Services | | 103 263 | 127 344 | 140 301 | 130 236 | 125 963 | 125 963 | 129 487 | 133 834 | 138 214 |
| Vote 08 - Human Settlement | | 22 341 | - | 25 691 | 14 915 | 15 004 | 15 004 | 28 217 | 30 054 | 31 677 |
| Vote 09 - Economic Dev, Tourism & Agriculture | | 12 627 | 29 276 | 13 248 | 13 986 | 13 986 | 13 986 | 14 373 | 15 289 | 16 114 |
| Vote 10 - Public Safety, Fleet And Facilities Management | | 160 903 | 128 910 | 262 238 | 187 623 | 220 656 | 220 656 | 239 262 | 253 415 | 267 099 |
| Vote 11 - Internal Audit | | - | - | 7 766 | 10 407 | 10 407 | 10 407 | 9 920 | 10 561 | 11 132 |
| Vote 12 - Risk Management | | - | - | - | 1 964 | 1 938 | 1 938 | 126 | 133 | 140 |
| Vote 13 - [Name Of Vote 13] | | - | - | - | - | - | - | - | - | - |
| Vote 14 - [Name Of Vote 14] | | - | - | - | - | - | - | - | - | - |
| Vote 15 - Other | | - | - | - | - | - | - | - | - | - |
| Total Expenditure by Vote | 2 | 2 277 726 | 2 268 996 | 2 164 899 | 2 385 364 | 2 390 503 | 2 390 503 | 2 423 738 | 2 499 093 | 2 572 295 |
| Surplus/(Deficit) for the year | 2 | (502 811) | (363 915) | (310 513) | (326 087) | (330 310) | (330 310) | (312 886) | (217 259) | (116 603) |

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

1. Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 17 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

| Description R thousand | Ref 1 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------------------------------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|-----------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | |
| Revenue By Source | | | | | | | | | | | | |
| Property rates | 2 | 292 796 | 296 046 | 258 006 | 320 131 | 320 131 | 320 131 | 156 032 | 270 000 | 285 000 | 300 390 | |
| Service charges - electricity revenue | 2 | 450 535 | 447 788 | 433 878 | 457 937 | 457 937 | 457 937 | 311 948 | 475 000 | 500 650 | 527 627 | |
| Service charges - water revenue | 2 | 125 247 | 148 307 | 116 764 | 152 811 | 152 811 | 152 811 | 111 271 | 161 600 | 170 254 | 179 411 | |
| Service charges - sanitation revenue | 2 | 29 662 | 41 724 | 44 750 | 49 140 | 49 140 | 49 140 | 33 798 | 52 275 | 55 097 | 58 072 | |
| Service charges - refuse revenue | 2 | 31 443 | 33 569 | 65 366 | 53 000 | 53 000 | 53 000 | 36 042 | 53 000 | 55 862 | 58 878 | |
| Rental of facilities and equipment | | 1 020 | 1 243 | 1 408 | 70 | 70 | 70 | 621 | 1 386 | 1 461 | 1 540 | |
| Interest earned - external investments | | 7 717 | 4 515 | 7 030 | 6 400 | 6 400 | 6 400 | 1 683 | 6 732 | 7 090 | 7 470 | |
| Interest earned - outstanding debtors | | 60 939 | 95 140 | 83 818 | 86 800 | 86 800 | 86 800 | 58 103 | 91 112 | 96 032 | 101 216 | |
| Dividends received | | - | - | 48 | - | - | - | - | - | - | - | |
| Fines, penalties and forfeits | | 2 900 | 2 992 | 4 998 | 1 001 | 1 001 | 1 001 | 93 | 1 001 | 1 055 | 1 112 | |
| Licences and permits | | 5 923 | 6 229 | 6 121 | 2 200 | 2 200 | 2 200 | 75 | 2 127 | 2 241 | 2 362 | |
| Agency services | | 10 274 | 11 456 | 12 253 | 9 000 | 9 000 | 9 000 | - | 12 000 | 12 648 | 13 000 | |
| Transfers and subsidies | | 442 428 | 506 007 | 780 488 | 627 887 | 628 803 | 628 803 | 472 215 | 699 244 | 772 980 | 857 859 | |
| Other revenue | 2 | 12 773 | 49 854 | 39 459 | 7 644 | 7 644 | 7 644 | 2 427 | 3 579 | 3 762 | 3 960 | |
| Gains on disposal of PPE | | 4 426 | - | - | - | - | - | - | - | - | - | |
| Total Revenue (excluding capital transfers and contributions) | | 1 478 083 | 1 644 870 | 1 854 386 | 1 774 020 | 1 774 936 | 1 774 936 | 1 184 309 | 1 829 055 | 1 964 132 | 2 112 897 | |
| Expenditure By Type | | | | | | | | | | | | |
| Employee related costs | 2 | 358 844 | 392 302 | 425 241 | 390 960 | 401 264 | 401 264 | 301 409 | 470 000 | 498 656 | 524 321 | |
| Remuneration of councillors | | 23 727 | 25 456 | 30 531 | 32 370 | 32 370 | 32 370 | 19 774 | 33 242 | 35 037 | 36 929 | |
| Debt impairment | 3 | 228 753 | 157 979 | (128 998) | 280 000 | 280 000 | 280 000 | 80 898 | 275 000 | 235 000 | 190 000 | |
| Depreciation & asset impairment | 2 | 483 686 | 458 952 | 474 336 | 552 750 | 552 750 | 552 750 | 637 | 490 000 | 516 460 | 544 349 | |
| Finance charges | | 115 680 | 131 937 | 160 510 | 110 500 | 110 500 | 110 500 | 94 705 | 140 501 | 148 088 | 156 085 | |
| Bulk purchases | 2 | 472 484 | 452 876 | 505 968 | 550 000 | 535 000 | 535 000 | 383 932 | 560 000 | 590 240 | 622 113 | |
| Other materials | 8 | 112 585 | 121 177 | 23 119 | 26 541 | 26 076 | 26 076 | 13 382 | 26 320 | 27 741 | 29 239 | |
| Contracted services | | 129 644 | 259 308 | 189 535 | 271 888 | 247 928 | 247 928 | 128 566 | 235 075 | 243 959 | 254 485 | |
| Transfers and subsidies | | 22 610 | 20 879 | 2 343 | 4 000 | 4 051 | 4 051 | 4 051 | 4 500 | 4 600 | 4 700 | |
| Other expenditure | 4, 5 | 197 585 | 248 129 | 482 314 | 166 355 | 200 565 | 200 565 | 105 077 | 189 101 | 199 312 | 210 075 | |
| Loss on disposal of PPE | | 132 128 | - | - | - | - | - | - | - | - | - | |
| Total Expenditure | | 2 277 726 | 2 268 996 | 2 164 899 | 2 385 364 | 2 390 503 | 2 390 503 | 1 132 433 | 2 423 738 | 2 499 093 | 2 572 295 | |
| Surplus/(Deficit) | | (799 643) | (624 126) | (310 513) | (611 345) | (615 568) | (615 568) | 51 876 | (594 683) | (534 962) | (459 397) | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 296 832 | 260 211 | - | 285 258 | 285 258 | 285 258 | 285 258 | 281 797 | 317 703 | 342 794 | |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | 6 | - | - | - | - | - | - | - | - | - | - | |
| Transfers and subsidies - capital (in-kind - all) | | (502 811) | (363 915) | (310 513) | (326 087) | (330 310) | (330 310) | 337 134 | (312 886) | (217 259) | (116 603) | |
| Surplus/(Deficit) after capital transfers & contributions | | Taxation | (502 811) | (363 915) | (310 513) | (326 087) | (330 310) | (330 310) | 337 134 | (312 886) | (217 259) | (116 603) |
| Surplus/(Deficit) after taxation | | Attributable to minorities | (502 811) | (363 915) | (310 513) | (326 087) | (330 310) | (330 310) | 337 134 | (312 886) | (217 259) | (116 603) |
| Surplus/(Deficit) attributable to municipality | | Share of surplus/ (deficit) of associate | (502 811) | (363 915) | (310 513) | (326 087) | (330 310) | (330 310) | 337 134 | (312 886) | (217 259) | (116 603) |
| Surplus/(Deficit) for the year | | | (502 811) | (363 915) | (310 513) | (326 087) | (330 310) | (330 310) | 337 134 | (312 886) | (217 259) | (116 603) |

Table 18 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

| Vote Description R thousand | Ref 1 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|----------------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Capital expenditure - Vote | | | | | | | | | | | |
| Single-year expenditure <i>to be appropriated</i> | 2 | - | - | 86 | - | - | - | - | - | - | - |
| Vote 01 - Executive Council | | - | - | 86 | - | - | - | - | - | - | - |
| Vote 02 - Municipal Manager | | - | - | - | - | - | - | - | - | - | - |
| Vote 03 - Chief Operating Officer | | - | - | - | - | 28 | 28 | 28 | - | - | - |
| Vote 04 - Corporate Support Services | | - | - | 3 652 | - | 28 084 | 28 084 | 24 244 | - | - | - |
| Vote 05 - Budget And Treasury Office | | 1 585 | 1 065 | 228 | - | 767 | 767 | 669 | - | - | - |
| Vote 06 - Infrastructure And Technical Services | | 258 844 | 216 850 | 192 380 | 275 758 | 275 794 | 275 794 | 116 508 | 281 797 | 317 703 | 342 794 |
| Vote 07 - Community Services | | 2 730 | 15 251 | 2 447 | 9 500 | 9 500 | 9 500 | 409 | - | - | - |
| Vote 08 - Human Settlement | | - | - | 1 486 | - | - | - | - | - | - | - |
| Vote 09 - Economic Dev, Tourism & Agriculture | | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - Public Safety, Fleet And Facilities Management | | 25 841 | 19 449 | 16 437 | - | 313 | 313 | 117 | - | - | - |
| Vote 11 - Internal Audit | | - | - | 10 | - | 51 | 51 | 51 | - | - | - |
| Vote 12 - Risk Management | | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [Name Of Vote 13] | | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [Name Of Vote 14] | | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - Other | | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | | 289 000 | 252 614 | 216 725 | 285 258 | 314 537 | 314 537 | 142 026 | 281 797 | 317 703 | 342 794 |
| Total Capital Expenditure - Vote | | 289 000 | 252 614 | 216 725 | 285 258 | 314 537 | 314 537 | 142 026 | 281 797 | 317 703 | 342 794 |
| Capital Expenditure - Functional | | | | | | | | | | | |
| <i>Governance and administration</i> | | 1 585 | 20 513 | 20 413 | - | 28 930 | 28 930 | 24 992 | - | - | - |
| Executive and council | | - | - | 86 | - | 28 | 28 | 28 | - | - | - |
| Finance and administration | | 1 585 | 20 513 | 20 317 | - | 28 851 | 28 851 | 24 913 | - | - | - |
| Internal audit | | - | - | 10 | - | 51 | 51 | 51 | - | - | - |
| <i>Community and public safety</i> | | 25 841 | 2 730 | 1 505 | 9 500 | 9 507 | 9 507 | 409 | - | - | - |
| Community and social services | | 9 107 | 720 | 488 | - | - | - | - | - | - | - |
| Sport and recreation | | 14 091 | 2 010 | 924 | 9 500 | 9 500 | 9 500 | 409 | - | - | - |
| Public safety | | 2 643 | - | - | - | 7 | 7 | - | - | - | - |
| Housing | | - | - | 93 | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 131 631 | 100 168 | 89 208 | 105 787 | 106 093 | 106 093 | 46 821 | 77 000 | 88 000 | 84 000 |
| Planning and development | | - | - | 1 393 | - | - | - | - | - | - | - |
| Road transport | | 131 631 | 100 168 | 87 815 | 105 787 | 106 093 | 106 093 | 46 821 | 77 000 | 88 000 | 84 000 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 128 779 | 116 682 | 105 600 | 169 971 | 170 007 | 170 007 | 69 804 | 204 797 | 229 703 | 258 794 |
| Energy sources | | 22 000 | 11 519 | 14 352 | 14 725 | 14 725 | 14 725 | 582 | 16 787 | 36 703 | 38 794 |
| Water management | | 86 271 | 75 640 | 77 158 | 120 000 | 120 007 | 120 007 | 57 483 | 135 000 | 120 000 | 142 000 |
| Waste water management | | 20 509 | 29 522 | 13 055 | 35 245 | 35 275 | 35 275 | 11 739 | 53 010 | 73 000 | 78 000 |
| Waste management | | - | - | 1 035 | - | - | - | - | - | - | - |
| Other | | 1 164 | 12 522 | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 3 | 289 000 | 252 614 | 216 725 | 285 258 | 314 537 | 314 537 | 142 026 | 281 797 | 317 703 | 342 794 |
| Funded by: | | | | | | | | | | | |
| National Government | | 283 205 | 232 101 | 186 967 | 285 258 | 285 258 | 285 258 | 116 910 | 281 797 | 317 703 | 342 794 |
| Provincial Government | | | | | | | | | | | |
| District Municipality | | | | | | | | | | | |
| Other transfers and grants | | | | | | | | | | | |
| Transfers recognised - capital | 4 | 283 205 | 232 101 | 186 967 | 285 258 | 285 258 | 285 258 | 116 910 | 281 797 | 317 703 | 342 794 |
| Borrowing | 6 | | | | | | | | | | |
| Internally generated funds | | 5 796 | 20 513 | 29 758 | - | 29 279 | 29 279 | 25 116 | - | - | - |
| Total Capital Funding | 7 | 289 000 | 252 614 | 216 725 | 285 258 | 314 537 | 314 537 | 142 026 | 281 797 | 317 703 | 342 794 |

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations
3. Single-year capital expenditure has been appropriated at R281.7 million for the 2019/20 financial year and remains relatively constant over the MTREF at levels of R317.7 million and R342 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital grants and transfers.

Table 19 MBRR Table A6 - Budgeted Financial Position

| Description R thousand | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|------------------------------------------|----------|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| ASSETS | | | | | | | | | | | |
| Current assets | | | | | | | | | | | |
| Cash | | 19 178 | 32 334 | 28 228 | 6 976 | 6 976 | 6 976 | (210 929) | 7 000 | 8 100 | 10 000 |
| Call investment deposits | 1 | 53 436 | 1 031 | 5 464 | 50 000 | 50 000 | 50 000 | 39 575 | 56 994 | 144 757 | 277 494 |
| Consumer debtors | 1 | 196 385 | 337 257 | 219 140 | 430 677 | 430 677 | 430 677 | 1 641 753 | 669 511 | 681 000 | 701 000 |
| Other debtors | | 115 072 | 179 363 | 506 283 | - | - | - | 1 025 555 | 150 000 | 155 000 | 160 000 |
| Current portion of long-term receivables | | | | | | | | | - | - | - |
| Inventory | 2 | 14 884 | 12 869 | 9 515 | 10 530 | 10 530 | 10 530 | 16 676 | 10 000 | 12 000 | 13 000 |
| Total current assets | | 398 955 | 562 855 | 768 629 | 498 183 | 498 183 | 498 183 | 2 512 631 | 893 505 | 1 000 857 | 1 161 494 |
| Non current assets | | | | | | | | | | | |
| Long-term receivables | | - | | | | | | | - | - | - |
| Investments | | 12 643 | 12 785 | 13 038 | 13 689 | 13 689 | 13 689 | 12 793 | 12 800 | 12 850 | 12 900 |
| Investment property | | 260 792 | 317 245 | 168 005 | 273 780 | 273 780 | 273 780 | 168 005 | 275 000 | 280 000 | 285 000 |
| Investment in Associate | | | | | | | | | | | |
| Property, plant and equipment | 3 | 6 121 338 | 5 778 180 | 5 518 675 | 6 108 468 | 6 137 748 | 6 137 748 | 5 661 356 | 5 943 153 | 6 260 856 | 6 603 650 |
| Biological | | | | | | | | | | | |
| Intangible | | - | - | - | - | - | - | - | - | - | - |
| Other non-current assets | | 10 | 10 | 10 | - | - | - | 10 | 10 | 10 | 10 |
| Total non current assets | | 6 394 782 | 6 108 221 | 5 699 728 | 6 395 937 | 6 425 217 | 6 425 217 | 5 842 164 | 6 230 963 | 6 553 716 | 6 901 560 |
| TOTAL ASSETS | | 6 793 738 | 6 671 076 | 6 468 357 | 6 894 120 | 6 923 399 | 6 923 399 | 8 354 794 | 7 124 468 | 7 554 573 | 8 063 055 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities | | | | | | | | | | | |
| Bank overdraft | 1 | | | | | | | | | | |
| Borrowing | 4 | 2 956 | 4 470 | - | - | - | - | 2 013 | - | - | - |
| Consumer deposits | | 13 222 | 13 945 | 15 947 | 13 689 | 13 689 | 13 689 | 31 046 | 16 000 | 16 500 | 16 800 |
| Trade and other payables | 4 | 477 047 | 631 760 | 582 704 | 256 406 | 256 406 | 256 406 | 1 549 208 | 470 655 | 382 742 | 294 829 |
| Provisions | | 29 572 | 55 108 | - | - | - | - | 240 414 | 240 000 | 243 500 | 248 000 |
| Total current liabilities | | 522 797 | 705 284 | 598 650 | 270 095 | 270 095 | 270 095 | 1 822 681 | 726 655 | 642 742 | 559 629 |
| Non current liabilities | | | | | | | | | | | |
| Borrowing | | 879 870 | 986 965 | 1 115 456 | 950 859 | 950 859 | 950 859 | 1 208 102 | 1 171 342 | 1 236 937 | 1 301 258 |
| Provisions | | 178 078 | 205 126 | 291 663 | 123 201 | 123 201 | 123 201 | 50 391 | 208 000 | 213 200 | 218 430 |
| Total non current liabilities | | 1 057 948 | 1 192 091 | 1 407 119 | 1 074 060 | 1 074 060 | 1 074 060 | 1 258 493 | 1 379 342 | 1 450 137 | 1 519 688 |
| TOTAL LIABILITIES | | 1 580 745 | 1 897 375 | 2 005 769 | 1 344 155 | 1 344 155 | 1 344 155 | 3 081 175 | 2 105 997 | 2 092 879 | 2 079 317 |
| NET ASSETS | 5 | 5 212 992 | 4 773 701 | 4 462 588 | 5 549 966 | 5 579 245 | 5 579 245 | 5 273 620 | 5 018 472 | 5 461 694 | 5 983 738 |
| COMMUNITY WEALTH/EQUITY | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | 5 212 992 | 4 773 701 | 4 462 588 | 5 549 966 | 5 579 245 | 5 579 245 | 5 273 620 | 5 018 472 | 5 461 694 | 5 983 738 |
| Reserves | 4 | - | - | - | - | - | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 5 | 5 212 992 | 4 773 701 | 4 462 588 | 5 549 966 | 5 579 245 | 5 579 245 | 5 273 620 | 5 018 472 | 5 461 694 | 5 983 738 |

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 23 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non current;
 - Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 20 MBRR Table A7 - Budgeted Cash Flow Statement

| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------------------------|-----|------------------|------------------|------------------|----------------------|------------------|------------------|--------------------|-----------------------------------------------------|---------------------|------------------------|
| | | R thousand | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | | 231 127 | 296 046 | 258 006 | 230 000 | 230 000 | 200 000 | 156 937 | 207 500 | 223 750 | 230 293 |
| Service charges | | 502 745 | 227 842 | 646 403 | 526 000 | 526 000 | 596 000 | 397 294 | 611 406 | 654 921 | 690 003 |
| Other revenue | | 13 552 | 32 132 | 36 225 | 29 512 | 65 512 | 65 512 | 9 592 | 20 092 | 21 167 | 21 974 |
| Government - operating | 1 | 442 428 | 504 673 | 569 142 | 571 733 | 572 804 | 572 804 | 428 806 | 699 244 | 772 980 | 857 859 |
| Government - capital | 1 | 296 442 | 263 056 | 212 007 | 301 005 | 301 005 | 301 005 | 106 603 | 281 797 | 317 703 | 342 794 |
| Interest | | 7 717 | 99 646 | 90 896 | 10 500 | 20 000 | 20 000 | 57 537 | 15 066 | 15 590 | 16 370 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | (1 196 934) | (1 200 077) | (1 592 069) | (1 308 392) | (1 369 115) | (1 369 115) | (1 041 600) | (1 513 737) | (1 594 945) | (1 677 161) |
| Finance charges | | (0) | (116 410) | (127 974) | - | - | - | - | - | - | - |
| Transfers and Grants | 1 | | | | (10 000) | (5 000) | (5 000) | (1 649) | (4 500) | (4 600) | (4 700) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 297 077 | 106 908 | 92 635 | 350 358 | 341 206 | 381 206 | 113 521 | 316 869 | 406 566 | 477 432 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | 6 108 | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current debtors | | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) other non-current receivables | | - | (16 378) | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | | (186) | (132) | (253) | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Capital assets | | (289 000) | (242 160) | (214 830) | (301 005) | (311 487) | (311 487) | (83 914) | (281 797) | (317 703) | (342 794) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (289 187) | (252 563) | (215 083) | (301 005) | (311 487) | (311 487) | (83 914) | (281 797) | (317 703) | (342 794) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | | 5 935 | 113 682 | 128 491 | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | (3 629) | (3 826) | (5 717) | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 2 307 | 109 856 | 122 774 | - | - | - | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 10 198 | (35 799) | 326 | 49 353 | 29 719 | 69 719 | 29 607 | 35 072 | 88 863 | 134 638 |
| Cash/cash equivalents at the year begin: | 2 | 58 958 | 69 155 | 33 366 | (29 235) | 484 | 484 | 484 | 28 922 | 63 994 | 152 857 |
| Cash/cash equivalents at the year end: | 2 | 69 155 | 33 357 | 33 692 | 20 118 | 30 203 | 70 203 | 30 091 | 63 994 | 152 857 | 287 494 |

Table 21 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|--------------------------------------------|-----|---------------|-----------------|-----------------|----------------------|-----------------|-----------------|--------------------|-----------------------------------------------------|---------------------|------------------------|
| | | R thousand | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 69 155 | 33 357 | 33 692 | 20 118 | 30 203 | 70 203 | 30 091 | 63 994 | 152 857 | 287 494 |
| Other current investments > 90 days | | 3 459 | 9 | - | 36 858 | 26 773 | (13 227) | (201 445) | - | - | - |
| Non current assets - Investments | 1 | 12 643 | 12 785 | 13 038 | 13 689 | 13 689 | 13 689 | 12 793 | 12 800 | 12 850 | 12 900 |
| Cash and investments available: | | 85 257 | 46 151 | 46 730 | 70 665 | 70 665 | 70 665 | (158 562) | 76 794 | 165 707 | 300 394 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | - | 327 | 987 | - | - | - | 156 073 | - | - | - |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | | | | | | | | | | |
| Other working capital requirements | 3 | 249 604 | 378 204 | (57 902) | (40 421) | (54 024) | (69 139) | (1 749 204) | (141 562) | (252 583) | (355 471) |
| Other provisions | | 169 683 | 178 224 | | | | | | 129 731 | 136 260 | 142 790 |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | - | - | - | - | - | - | - | - | - | - |
| Total Application of cash and investments: | | 419 287 | 556 754 | (56 914) | (40 421) | (54 024) | (69 139) | (1 593 131) | (11 831) | (116 323) | (212 681) |
| Surplus(shortfall) | | (334 030) | (510 603) | 103 644 | 111 085 | 124 688 | 139 803 | 1 434 569 | 88 625 | 282 029 | 513 075 |

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be “funded”.
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 22 MBRR Table A9 - Asset Management

| Description R thousand | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|----------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| CAPITAL EXPENDITURE | | | | | | | | | | |
| Total New Assets | 1 | 289 000 | 252 614 | 112 636 | 154 500 | 183 779 | 183 779 | 281 797 | 317 703 | 342 794 |
| Roads Infrastructure | | 131 631 | 100 168 | – | – | – | – | 77 000 | 88 000 | 84 000 |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | 22 000 | 11 519 | – | – | – | – | 16 787 | 36 703 | 38 794 |
| Water Supply Infrastructure | | 86 271 | 75 640 | 77 158 | 120 000 | 120 000 | 120 000 | 135 000 | 120 000 | 142 000 |
| Sanitation Infrastructure | | 20 509 | 29 522 | 13 055 | 25 000 | 25 000 | 25 000 | 53 010 | 73 000 | 78 000 |
| Solid Waste Infrastructure | | – | – | – | – | – | – | – | – | – |
| Rail Infrastructure | | – | – | – | – | – | – | – | – | – |
| Coastal Infrastructure | | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructure | | – | – | – | – | – | – | – | – | – |
| Infrastructure | | 260 410 | 216 850 | 90 213 | 145 000 | 145 000 | 145 000 | 281 797 | 317 703 | 342 794 |
| Community Facilities | | 11 098 | 720 | – | – | – | – | – | – | – |
| Sport and Recreation Facilities | | 14 091 | 2 010 | – | 9 500 | 9 500 | 9 500 | – | – | – |
| Community Assets | | 25 189 | 2 730 | – | 9 500 | 9 500 | 9 500 | – | – | – |
| Heritage Assets | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | 1 816 | 12 522 | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| Other Assets | | 1 816 | 12 522 | – | – | – | – | – | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | 1 585 | 1 065 | 4 593 | – | 29 279 | 29 279 | – | – | – |
| Machinery and Equipment | | – | – | – | – | – | – | – | – | – |
| Transport Assets | | – | 19 449 | 16 437 | – | – | – | – | – | – |
| Land | | – | – | 1 393 | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| Total Renewal of Existing Assets | 2 | – | – | 20 673 | 24 971 | 24 971 | 24 971 | – | – | – |
| Roads Infrastructure | | – | – | – | – | – | – | – | – | – |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | – | – | 14 352 | 24 971 | 24 971 | 24 971 | – | – | – |
| Water Supply Infrastructure | | – | – | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | – | – | – | – | – | – | – | – | – |
| Solid Waste Infrastructure | | – | – | – | – | – | – | – | – | – |
| Rail Infrastructure | | – | – | 1 029 | – | – | – | – | – | – |
| Coastal Infrastructure | | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructure | | – | – | – | – | – | – | – | – | – |
| Infrastructure | | – | – | 15 381 | 24 971 | 24 971 | 24 971 | – | – | – |
| Community Facilities | | – | – | 5 292 | – | – | – | – | – | – |
| Sport and Recreation Facilities | | – | – | – | – | – | – | – | – | – |
| Community Assets | | – | – | 5 292 | – | – | – | – | – | – |
| Heritage Assets | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| Other Assets | | – | – | – | – | – | – | – | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |
| Machinery and Equipment | | – | – | – | – | – | – | – | – | – |
| Transport Assets | | – | – | – | – | – | – | – | – | – |
| Land | | – | – | – | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| Total Upgrading of Existing Assets | 6 | – | – | 83 416 | 105 787 | 105 787 | 105 787 | – | – | – |
| Roads Infrastructure | | – | – | 82 518 | 105 787 | 105 787 | 105 787 | – | – | – |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | – | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure | | – | – | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | – | – | – | – | – | – | – | – | – |
| Solid Waste Infrastructure | | – | – | – | – | – | – | – | – | – |
| Rail Infrastructure | | – | – | – | – | – | – | – | – | – |
| Coastal Infrastructure | | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructure | | – | – | – | – | – | – | – | – | – |
| Infrastructure | | – | – | 82 518 | 105 787 | 105 787 | 105 787 | – | – | – |
| Community Facilities | | – | – | – | – | – | – | – | – | – |
| Sport and Recreation Facilities | | – | – | 898 | – | – | – | – | – | – |
| Community Assets | | – | – | 898 | – | – | – | – | – | – |
| Heritage Assets | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Operational Buildings | | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| Other Assets | | – | – | – | – | – | – | – | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |
| Machinery and Equipment | | – | – | – | – | – | – | – | – | – |
| Transport Assets | | – | – | – | – | – | – | – | – | – |
| Land | | – | – | – | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| Total Capital Expenditure | 4 | 289 000 | 252 614 | 216 725 | 285 258 | 314 537 | 314 537 | 281 797 | 317 703 | 342 794 |
| Roads Infrastructure | | 131 631 | 100 168 | 82 518 | 105 787 | 105 787 | 105 787 | 77 000 | 88 000 | 84 000 |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |

| | | | | | | | | | | |
|---------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Electrical Infrastructure | 22 000 | 11 519 | 14 352 | 24 971 | 24 971 | 24 971 | 16 787 | 36 703 | 38 794 | |
| Water Supply Infrastructure | 86 271 | 75 640 | 77 158 | 120 000 | 120 000 | 120 000 | 135 000 | 120 000 | 142 000 | |
| Sanitation Infrastructure | 20 509 | 29 522 | 13 055 | 25 000 | 25 000 | 25 000 | 53 010 | 73 000 | 78 000 | |
| Solid Waste Infrastructure | - | - | 1 029 | - | - | - | - | - | - | |
| Rail Infrastructure | - | - | - | - | - | - | - | - | - | |
| Coastal Infrastructure | - | - | - | - | - | - | - | - | - | |
| Information and Communication Infrastructure | - | - | - | - | - | - | - | - | - | |
| Infrastructure | 260 410 | 216 850 | 188 113 | 275 758 | 275 758 | 275 758 | 281 797 | 317 703 | 342 794 | |
| Community Facilities | 11 098 | 720 | 5 292 | - | - | - | - | - | - | |
| Sport and Recreation Facilities | 14 091 | 2 010 | 898 | 9 500 | 9 500 | 9 500 | - | - | - | |
| Community Assets | 25 189 | 2 730 | 6 190 | 9 500 | 9 500 | 9 500 | - | - | - | |
| Heritage Assets | - | - | - | - | - | - | - | - | - | |
| Revenue Generating | - | - | - | - | - | - | - | - | - | |
| Non-revenue Generating | - | - | - | - | - | - | - | - | - | |
| Investment properties | - | - | - | - | - | - | - | - | - | |
| Operational Buildings | 1 816 | 12 522 | - | - | - | - | - | - | - | |
| Housing | - | - | - | - | - | - | - | - | - | |
| Other Assets | 1 816 | 12 522 | - | - | - | - | - | - | - | |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | - | - | |
| Servitudes | - | - | - | - | - | - | - | - | - | |
| Licences and Rights | - | - | - | - | - | - | - | - | - | |
| Intangible Assets | - | - | - | - | - | - | - | - | - | |
| Computer Equipment | - | - | - | - | - | - | - | - | - | |
| Furniture and Office Equipment | 1 585 | 1 065 | 4 593 | - | 29 279 | 29 279 | - | - | - | |
| Machinery and Equipment | - | - | - | - | - | - | - | - | - | |
| Transport Assets | - | 19 449 | 16 437 | - | - | - | - | - | - | |
| Land | - | - | 1 393 | - | - | - | - | - | - | |
| Zoo's, Marine and Non-biological Animals | - | - | - | - | - | - | - | - | - | |
| TOTAL CAPITAL EXPENDITURE - Asset class | 289 000 | 252 614 | 216 725 | 285 258 | 314 537 | 314 537 | 281 797 | 317 703 | 342 794 | |
| ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 6 086 568 | 5 778 180 | 5 148 122 | 6 382 248 | 6 411 218 | 6 411 218 | 6 218 163 | 6 540 866 | 6 888 660 |
| Roads Infrastructure | 743 632 | 701 892 | 1 577 565 | 1 603 683 | 1 603 683 | 1 603 683 | 1 603 683 | 1 687 074 | 1 770 466 | 909 748 |
| Storm water Infrastructure | - | - | 18 848 | 909 748 | 909 748 | 909 748 | 909 748 | 909 748 | 909 748 | 909 748 |
| Electrical Infrastructure | 1 275 388 | 960 054 | 1 428 557 | 1 326 146 | 1 326 146 | 1 326 146 | 1 326 146 | 1 452 727 | 1 579 308 | 1 842 582 |
| Water Supply Infrastructure | 566 187 | 555 587 | 649 788 | 1 789 019 | 1 789 019 | 1 789 019 | 1 789 019 | 1 669 006 | 1 755 794 | 334 328 |
| Sanitation Infrastructure | 136 287 | 238 225 | 75 873 | 280 287 | 280 287 | 280 287 | 280 287 | 280 287 | 294 862 | 120 318 |
| Solid Waste Infrastructure | - | 18 021 | 1 320 | 108 983 | 108 983 | 108 983 | 108 983 | 114 650 | - | - |
| Rail Infrastructure | - | - | 2 575 | 70 872 | 70 872 | 70 872 | 70 872 | - | - | - |
| Infrastructure - Other | 3 079 276 | 2 795 386 | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | - | - | - | - | - | - | - | - | - | - |
| Infrastructure | 5 800 770 | 5 269 164 | 3 754 525 | 6 088 738 | 6 088 738 | 6 088 738 | 5 897 853 | 6 214 856 | 6 556 750 | |
| Community Assets | 23 832 | 88 117 | 291 548 | 33 500 | 33 500 | 33 500 | 45 300 | 46 000 | 46 900 | |
| Heritage Assets | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | |
| Investment properties | 260 792 | 300 653 | 168 005 | 260 000 | 260 000 | 260 000 | 275 000 | 280 000 | 285 000 | |
| Other Assets | 1 164 | 99 723 | 10 372 | - | - | - | - | - | - | |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | - | - | |
| Intangible Assets | - | - | - | - | - | - | - | - | - | |
| Computer Equipment | - | 1 065 | 12 861 | - | 28 969 | 28 969 | - | - | - | |
| Furniture and Office Equipment | - | - | 15 911 | - | - | - | - | - | - | |
| Machinery and Equipment | - | - | 6 608 | - | - | - | - | - | - | |
| Transport Assets | - | 19 448 | 16 437 | - | - | - | - | - | - | |
| Land | - | - | 871 844 | - | - | - | - | - | - | |
| Zoo's, Marine and Non-biological Animals | - | - | - | - | - | - | - | - | - | |
| TOTAL ASSET REGISTER SUMMARY - PPE (WDV) | 5 | 6 086 568 | 5 778 180 | 5 148 122 | 6 382 248 | 6 411 218 | 6 411 218 | 6 218 163 | 6 540 866 | 6 888 660 |
| EXPENDITURE OTHER ITEMS | | | | | | | | | | |
| <u>Depreciation</u> | 596 271 | 581 021 | 571 154 | 645 543 | 646 133 | 646 133 | 577 710 | 608 906 | 641 787 | |
| <u>Repairs and Maintenance by Asset Class</u> | 7 | 483 686 | 458 952 | 474 336 | 552 750 | 552 750 | 552 750 | 490 000 | 516 460 | 544 349 |
| Roads Infrastructure | 3 112 585 | 122 069 | 96 818 | 92 793 | 93 383 | 93 383 | 87 710 | 92 446 | 97 438 | |
| Storm water Infrastructure | 32 564 | 11 070 | 1 625 | 10 300 | 10 300 | 10 300 | 6 600 | 6 956 | 7 332 | |
| Electrical Infrastructure | - | - | - | - | - | - | - | - | - | |
| Water Supply Infrastructure | 34 900 | 22 000 | 26 410 | 20 500 | 25 500 | 25 500 | 26 000 | 27 404 | 28 884 | |
| Sanitation Infrastructure | 22 866 | 44 550 | 54 283 | 39 800 | 37 800 | 37 800 | 35 800 | 37 733 | 39 771 | |
| Solid Waste Infrastructure | 7 306 | 27 000 | 7 694 | 9 500 | 10 435 | 10 435 | 10 000 | 10 540 | 11 109 | |
| Rail Infrastructure | 479 | 1 312 | 148 | 800 | 800 | 800 | 800 | 843 | 889 | |
| Coastal Infrastructure | - | - | - | - | - | - | - | - | - | |
| Information and Communication Infrastructure | - | - | 257 | 5 000 | 2 000 | 2 000 | 3 000 | 3 162 | 3 333 | |
| Infrastructure | 98 116 | 105 932 | 90 417 | 85 900 | 86 835 | 86 835 | 82 200 | 86 639 | 91 317 | |
| Community Facilities | 4 102 | 5 250 | 2 588 | 3 578 | 3 578 | 3 578 | 2 600 | 2 740 | 2 888 | |
| Sport and Recreation Facilities | - | - | 105 | - | - | - | 30 | 32 | 33 | |
| Community Assets | 4 102 | 5 250 | 2 588 | 3 683 | 3 578 | 3 578 | 2 630 | 2 772 | 2 922 | |
| Heritage Assets | - | - | - | - | - | - | - | - | - | |
| Revenue Generating | - | - | - | - | - | - | - | - | - | |
| Non-revenue Generating | - | - | - | - | - | - | - | - | - | |
| Investment properties | - | - | - | - | - | - | - | - | - | |
| Operational Buildings | 7 993 | 10 886 | 26 | 70 | 70 | 70 | 70 | 74 | 78 | |
| Housing | - | - | - | - | - | - | - | - | - | |
| Other Assets | 7 993 | 10 886 | 26 | 70 | 70 | 70 | 70 | 74 | 78 | |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | - | - | |
| Servitudes | - | - | - | - | - | - | - | - | - | |
| Licences and Rights | - | - | - | - | - | - | - | - | - | |
| Intangible Assets | - | - | - | - | - | - | - | - | - | |
| Computer Equipment | - | - | - | - | - | - | - | - | - | |
| Furniture and Office Equipment | - | - | - | - | - | - | - | - | - | |
| Machinery and Equipment | - | - | 492 | 2 140 | 1 850 | 1 850 | 1 810 | 1 908 | 2 011 | |
| Transport Assets | 2 375 | - | 3 294 | 1 000 | 1 050 | 1 050 | 1 000 | 1 054 | 1 111 | |
| Land | - | - | - | - | - | - | - | - | - | |
| Zoo's, Marine and Non-biological Animals | - | - | - | - | - | - | - | - | - | |
| TOTAL EXPENDITURE OTHER ITEMS | | 596 271 | 581 021 | 571 154 | 645 543 | 646 133 | 646 133 | 577 710 | 608 906 | 641 787 |
| <i>Renewal and upgrading of Existing Assets as % of total capex</i> | | 0.0% | 0.0% | 48.0% | 45.8% | 41.6% | 41.6% | 0.0% | 0.0% | |
| <i>Renewal and upgrading of Existing Assets as % of deprecn</i> | | 0.0% | 0.0% | 21.9% | 23.7% | 23.7% | 23.7% | 0.0% | 0.0% | |
| <i>R&M as a % of PPE</i> | | 1.8% | 2.1% | 1.8% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% |
| <i>Renewal and upgrading and R&M as a % of PPE</i> | | 2.0% | 2.0% | 4.0% | 4.0% | 3.0% | 3.0% | 1.0% | 1.0% | 1.0% |

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|------------------------------------------------------------------------------------------------------------|-----|---------|---------|---------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Outcome | Outcome | Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Household service targets | 1 | | | | | | | | | |
| Water: | | | | | | | | | | |
| Piped water inside dwelling | | 365 689 | 365 689 | 365 689 | 400 474 | 400 474 | 400 474 | 421 298 | 444 049 | 468 027 |
| Piped water inside yard (but not in dwelling) | | 73 520 | 73 520 | 73 520 | 79 519 | 79 519 | 79 519 | 83 654 | 88 171 | 92 933 |
| Using public tap (at least min.service level) | 2 | 16 325 | 16 325 | 16 325 | 17 878 | 17 878 | 17 878 | 18 807 | 19 823 | 20 894 |
| Other water supply (at least min.service level) | 4 | — | — | — | — | — | — | — | — | — |
| <i>Minimum Service Level and Above sub-total</i> | | | | | 455 534 | 455 534 | 455 534 | 497 871 | 497 871 | 581 853 |
| Using public tap (< min.service level) | 3 | 88 913 | 81 455 | 102 934 | 106 169 | 106 169 | 106 169 | 111 690 | 117 721 | 124 078 |
| Other water supply (< min.service level) | 4 | — | — | — | — | — | — | — | — | — |
| No water supply | | — | — | — | — | — | — | — | — | — |
| <i>Below Minimum Service Level sub-total</i> | | | | | 88 913 | 81 455 | 102 934 | 106 169 | 106 169 | 124 078 |
| Total number of households | 5 | 544 447 | 536 989 | 558 468 | 604 040 | 604 040 | 604 040 | 635 450 | 669 764 | 705 931 |
| Sanitation/sewage: | | | | | | | | | | |
| Flush toilet (connected to sewerage) | | 211 697 | 220 165 | 220 165 | 247 588 | 247 588 | 247 588 | 260 462 | 274 527 | 289 352 |
| Flush toilet (with septic tank) | | 11 669 | 12 136 | 12 136 | 12 779 | 12 779 | 12 779 | 13 444 | 14 170 | 14 935 |
| Chemical toilet | | — | — | — | — | — | — | — | — | — |
| Pit toilet (ventilated) | | 56 280 | 58 531 | 60 872 | 63 307 | 63 307 | 63 307 | 66 599 | 70 195 | 73 986 |
| Other toilet provisions (> min.service level) | | 177 361 | 184 455 | 184 455 | 198 724 | 198 724 | 198 724 | 209 058 | 220 347 | 232 245 |
| <i>Minimum Service Level and Above sub-total</i> | | | | | 457 007 | 475 287 | 477 628 | 522 398 | 522 398 | 610 518 |
| Bucket toilet | | 14 561 | 15 143 | 15 143 | 15 946 | 15 946 | 15 946 | 16 775 | 17 681 | 18 635 |
| Other toilet provisions (< min.service level) | | — | — | — | — | — | — | — | — | — |
| No toilet provisions | | 44 767 | 46 559 | 46 559 | 65 697 | 65 697 | 65 697 | 69 113 | 72 845 | 76 779 |
| <i>Below Minimum Service Level sub-total</i> | | | | | 59 328 | 61 702 | 80 840 | 81 643 | 81 643 | 95 414 |
| Total number of households | 5 | 516 335 | 536 989 | 558 468 | 604 040 | 604 040 | 604 040 | 635 451 | 669 765 | 705 932 |
| Energy: | | | | | | | | | | |
| Electricity (at least min.service level) | | 353 328 | 367 461 | 382 159 | 418 511 | 418 511 | 418 511 | 440 273 | 464 048 | 489 107 |
| Electricity - prepaid (min.service level) | | — | — | — | — | — | — | — | — | — |
| <i>Minimum Service Level and Above sub-total</i> | | | | | 353 328 | 367 461 | 382 159 | 418 511 | 418 511 | 489 107 |
| Electricity (< min.service level) | | — | — | — | — | — | — | — | — | — |
| Electricity - prepaid (< min. service level) | | — | — | — | — | — | — | — | — | — |
| Other energy sources | | 163 007 | 169 528 | 176 309 | 185 529 | 185 529 | 185 529 | 195 177 | 205 716 | 216 825 |
| <i>Below Minimum Service Level sub-total</i> | | | | | 163 007 | 169 528 | 176 309 | 185 529 | 185 529 | 216 825 |
| Total number of households | 5 | 516 335 | 536 989 | 558 468 | 604 040 | 604 040 | 604 040 | 635 450 | 669 764 | 705 931 |
| Refuse: | | | | | | | | | | |
| Removed at least once a week | | 132 905 | 138 221 | 138 221 | 151 369 | 151 369 | 151 369 | 159 240 | 167 839 | 176 902 |
| <i>Minimum Service Level and Above sub-total</i> | | | | | 132 905 | 138 221 | 138 221 | 151 369 | 151 369 | 176 902 |
| Removed less frequently than once a week | | 6 712 | 6 980 | 6 980 | 7 644 | 7 644 | 7 644 | 8 041 | 8 475 | 8 933 |
| Using communal refuse dump | | 14 612 | 15 196 | 15 196 | 16 642 | 16 642 | 16 642 | 17 507 | 18 452 | 19 449 |
| Using own refuse dump | | 308 923 | 321 280 | 334 131 | 365 914 | 365 914 | 365 914 | 384 942 | 405 729 | 427 638 |
| Other rubbish disposal | | 8 416 | 8 753 | 9 103 | 9 969 | 9 969 | 9 969 | 10 487 | 11 053 | 11 650 |
| No rubbish disposal | | 44 767 | 46 559 | 54 837 | 52 503 | 52 503 | 52 503 | 55 233 | 58 216 | 61 359 |
| <i>Below Minimum Service Level sub-total</i> | | | | | 383 430 | 398 768 | 420 247 | 452 671 | 452 671 | 529 030 |
| Total number of households | 5 | 516 335 | 536 989 | 558 468 | 604 040 | 604 040 | 604 040 | 635 450 | 669 765 | 705 932 |
| Households receiving Free Basic Service | 7 | | | | | | | | | |
| Water (6 kilolitres per household per month) | | 5 661 | 5 322 | 4 983 | 7 523 | 7 523 | 7 523 | 7 914 | 12 187 | 12 845 |
| Sanitation (free minimum level service) | | 5 661 | 5 322 | 4 983 | 7 523 | 7 523 | 7 523 | 7 914 | 8 341 | 8 792 |
| Electricity/other energy (50kwh per household per month) | | 12 450 | 18 900 | 25 350 | 7 523 | 7 523 | 7 523 | 7 914 | 8 341 | 8 792 |
| Refuse (removed at least once a week) | | 5 661 | 5 322 | 4 983 | 7 523 | 7 523 | 7 523 | 7 914 | 8 341 | 8 792 |
| Cost of Free Basic Services provided - Formal Settlements (R'000) | 8 | | | | | | | | | |
| Water (6 kilolitres per indigent household per month) | | 600 | 600 | 600 | 5 005 | 5 005 | 5 005 | 2 501 | 2 636 | 2 778 |
| Sanitation (fee sanitation service to indigent households) | | 20 | 20 | 20 | 1 600 | 1 600 | 1 600 | 800 | 843 | 889 |
| Electricity/other energy (50kwh per indigent household per month) | | 10 000 | 9 658 | 9 316 | 14 380 | 14 380 | 14 380 | 15 128 | 15 945 | 16 806 |
| Refuse (removed once a week for indigent households) | | 500 | 500 | 500 | 1 800 | 1 800 | 1 800 | 1 800 | 1 897 | 2 000 |
| Cost of Free Basic Services provided - Informal Formal Settlements (R'000) | | — | — | — | — | — | — | — | — | — |
| Total cost of FBS provided | | 11 120 | 10 778 | 10 436 | 22 785 | 22 785 | 22 785 | 20 229 | 21 321 | 22 473 |
| Highest level of free service provided per household | | | | | | | | | | |
| Property rates (R value threshold) | | 34 011 | 35 808 | 37 605 | 60 000 | 60 000 | 60 000 | 63 120 | 66 528 | 70 121 |
| Water (kilolitres per household per month) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sanitation (kilolitres per household per month) | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sanitation (Rand per household per month) | | 42 | 42 | 42 | 142 | 142 | 142 | 142 | 142 | 142 |
| Electricity (kwh per household per month) | | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 | 50 |
| Refuse (average litres per week) | | | | | 240 | 240 | 240 | 240 | 240 | 240 |
| Revenue cost of subsidised services provided (R'000) | 9 | | | | | | | | | |
| Property rates (tariff adjustment) (impermissible values per section 17 of MPRA) | | 24 887 | — | 51 248 | 32 813 | 32 813 | 32 813 | 113 438 | 119 564 | 126 020 |
| Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA | | | | | | | | | | |
| Water (in excess of 6 kilolitres per indigent household per month) | | — | — | — | — | — | — | — | — | — |
| Sanitation (in excess of free sanitation service to indigent households) | | — | — | — | — | — | — | — | — | — |
| Electricity/other energy (in excess of 50 kwh per indigent household per month) | | — | — | — | — | — | — | — | — | — |
| Refuse (in excess of one removal a week for indigent households) | | — | — | — | — | — | — | — | — | — |
| Municipal Housing - rental rebates | | | | | | | | | | |
| Housing - top structure subsidies | | | | | | | | | | |
| Other | | | | | | | | | | |
| Total revenue cost of subsidised services provided | | 24 887 | — | 51 248 | 32 813 | 32 813 | 32 813 | 113 438 | 119 564 | 126 020 |

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the chairpersonship of the MMC for Finance.

The primary aims of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2018) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required the IDP and budget time schedule on 28 August 2018. Key dates applicable to the process were:

- **August 2018** – Joint strategic planning session of the Mayoral Committee and Executive Management. Aim: to review past performance trends of the capital and operating budgets, the economic realities and to set the prioritisation criteria for the compilation of the 2019/20MTREF;
- **November 2018** – Detail departmental budget proposals (capital and operating) submitted to the Budget and Treasury Office for consolidation and assessment against the financial planning guidelines;
- **3 to 7 January 2019** - Review of the financial strategy and key economic and financial planning assumptions by the Budget Steering Committee. This included financial forecasting and scenario considerations;
- **January 2019** – Multi-year budget proposals are submitted to the Mayoral Committee for endorsement;
- **28 January 2019** - Council considers the 2018/19 Mid-year Review and Adjustments Budget;

- **February 2019** - Recommendations of the Mayoral Committee are communicated to the Budget Steering Committee, and on to the respective departments. The draft 2019/20MTREF is revised accordingly;
- **26 March 2019** - Tabling in Council of the FINAL 2019/20IDP and 2019/20MTREF for public consultation;
- **April 2019** – Public consultation;
- **3 May 2019** - Closing date for written comments;
- **6 to 24 May 2019** – finalisation of the 2019/20IDP and 2019/20MTREF, taking into consideration comments received from the public, comments from National Treasury, and updated information from the most recent Division of Revenue Bill and financial framework; and
- **28 May 2019** - Tabling of the 2019/20MTREF before Council for consideration and approval.

There were no deviations from the key dates set out in the Budget Time Schedule tabled in Council.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the third review of the IDP as adopted by Council in May 2015. It started in September 2018 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2019/20 MTREF in August.

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2019/20MTREF, based on the approved 2018/19 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2019/20MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2018/19 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2019/20 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2019/20 MTREF:

- Municipality growth
- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, Eskom increases, household debt, migration patterns)
- Performance trends
- The approved 2018/19 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels
- Investment possibilities
- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery

In addition to the above, the strategic guidance given in National Treasury's MFMA Circulars 93 and 94 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

The draft 2019/20 MTREF as tabled before Council on 26 March 2019 for community consultation was published on the municipality's website, and hard copies were made available at customer care offices, municipal notice boards and various libraries.

All documents in the appropriate format (electronic and printed) will be provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees will be utilised to facilitate the community consultation process in April 2019. The applicable dates and venues will be published in all the local newspapers and on the municipal website. Individual sessions will be scheduled with organised business to further ensure transparency and interaction. Other stakeholders involved in the consultation includes churches, non-governmental institutions and community-based organisations.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process.

Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development

platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP.

The following table highlights the IDP's six strategic objectives or key performance areas for the 2019/20 MTREF and further planning refinements that have directly informed the compilation of the budget:

Table 24 IDP Strategic Objectives

| KPA | KPA Description |
|-------|------------------------------------------------------|
| KPA 1 | TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT |
| KPA 2 | GOOD GOVERNANCE |
| KPA 3 | LOCAL ECONOMIC DEVELOPMENT |
| KPA 4 | FINANCIAL VIABILITY |
| KPA 5 | BASIC SERVICE DELIVERY AND INFRASTRUCTURE |
| KPA 6 | MUNICIPAL TRANSFORMATION & INSTITUTIONAL DEVELOPMENT |

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

Local priorities were identified as part of the IDP review process which is directly aligned to that of the national and provincial priorities.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Madibeng Local Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above.

In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years. This process is aimed at influencing the development path by proposing a substantial programme of public-led investment to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. The strategy specifically targets future developmental opportunities in traditional dormitory settlements. It provides direction to the Municipality's IDP, associated sectoral plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2019/20 MTREF has therefore been directly informed by the IDP revision process and the SA 4, 5 and 6 tables below provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 25 MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue

| Strategic Objective | Goal | Goal Code | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|----------------------------------------------------------------|------------------------------------------|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | | | | | | | | | | | | |
| Sustainable Service - Electricity | Electricity | A | | 485 352 | 487 418 | 459 581 | 487 317 | 487 317 | 487 317 | 487 467 | 513 791 | 541 477 |
| Sustainable Service - Water | Water | A | | 167 740 | 149 884 | 163 445 | 172 811 | 172 811 | 172 811 | 183 938 | 193 799 | 204 227 |
| Sustainable Service - Sanitation | Sanitation | A | | 29 675 | 41 844 | 49 382 | 57 140 | 57 140 | 57 140 | 59 891 | 63 124 | 66 533 |
| Sustainable Service - Waste Management | Waste Management | A | | 32 070 | 39 160 | 69 650 | 59 500 | 59 500 | 59 500 | 59 787 | 63 015 | 66 417 |
| Infrastructure - Cemeteries And Parks | Cemeteries And Parks | A | | 963 | 2 307 | 5 068 | 1 333 | 2 249 | 2 249 | 1 292 | 1 362 | 1 436 |
| Infrastructure - Land And Housing | Land And Housing | A | | 2 703 | - | - | - | - | - | - | - | - |
| Good Governance - Support Service | Support Service | B | | - | - | - | - | - | - | - | - | - |
| Good Governance - Financial Management | Financial Management | B | | 801 056 | 911 673 | 883 629 | 982 404 | 982 404 | 982 404 | 1 017 263 | 1 110 064 | 1 213 142 |
| Good Governance - Human Resources | Human Resources | B | | 20 618 | 9 310 | 123 | 1 010 | 1 010 | 1 010 | 1 001 | 1 055 | 1 112 |
| Social Development - Arts, Culture, Sports And Recreation | Arts, Culture, Sports And Recreation | B | | 171 | 202 | 186 | 71 | 71 | 71 | 60 | 63 | 66 |
| Safety And Security - Road Safety, Fire And Disaster, Security | Road Safety, Fire And Disaster, Security | B | | 60 | 13 001 | 23 372 | 11 000 | 11 000 | 11 000 | 14 000 | 14 756 | 15 222 |
| Sustainable Service - Health | Health | A | | - | - | - | - | - | - | - | - | - |
| Sustainable Service - Community And Others | Community And Others | A | | 234 506 | - | - | 60 | 60 | 60 | 83 | 87 | 92 |
| Infrastructure - Roads And Stormwater | Roads And Stormwater | A | | - | 250 281 | 199 950 | 286 632 | 286 632 | 286 632 | 286 070 | 320 718 | 345 967 |
| Environmental Management - Pollution | Pollution | A | | - | 2 | - | - | - | - | - | - | - |
| Good Governance - Council And Public Participation | Good Governance | A | | - | - | - | - | - | - | - | - | - |
| Allocations to other priorities | | | 2 | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | | 1 | 1 774 915 | 1 905 081 | 1 854 386 | 2 059 278 | 2 060 194 | 2 060 194 | 2 110 852 | 2 281 835 | 2 455 691 |

Table 26 MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

| Strategic Objective | Goal | Goal Code | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|----------------------------------------------------------------|------------------------------------------|-----------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | | | | | | | | | | | | |
| Sustainable Service - Electricity | Electricity | A | | 454 898 | 435 864 | 491 382 | 512 340 | 502 340 | 502 340 | 501 522 | 528 256 | 556 701 |
| Sustainable Service - Water | Water | A | | 209 064 | 200 303 | 248 808 | 198 199 | 194 899 | 194 899 | 225 344 | 236 691 | 248 570 |
| Sustainable Service - Sanitation | Sanitation | A | | 28 026 | 33 010 | 30 852 | 35 243 | 36 243 | 36 243 | 35 140 | 36 685 | 38 585 |
| Sustainable Service - Waste Management | Waste Management | A | | 73 771 | 69 840 | 67 929 | 70 336 | 64 815 | 64 815 | 56 988 | 56 701 | 56 915 |
| Infrastructure - Cemeteries And Parks | Cemeteries And Parks | A | | 34 869 | 27 959 | 37 593 | 28 103 | 29 506 | 29 506 | 28 862 | 30 671 | 32 327 |
| Infrastructure - Land And Housing | Land And Housing | A | | 22 341 | - | 3 983 | 2 498 | 2 598 | 2 598 | 4 937 | 5 260 | 5 544 |
| Good Governance - Support Service | Support Service | B | | - | - | - | - | - | - | - | - | - |
| Good Governance - Financial Management | Financial Management | B | | 1 190 744 | 1 156 123 | 630 708 | 1 261 003 | 1 281 712 | 1 281 712 | 1 254 076 | 1 268 021 | 1 278 656 |
| Good Governance - Human Resources | Audit | B | | - | - | 7 766 | 10 407 | 10 407 | 10 407 | 9 920 | 10 561 | 11 132 |
| Planning And Development | Planning And Development | B | | - | 26 868 | 47 968 | 40 327 | 40 266 | 40 266 | 45 165 | 48 096 | 50 693 |
| Social Development - Arts, Culture, Sports And Recreation | Arts, Culture, Sports And Recreation | B | | 10 254 | 16 116 | 14 821 | 15 881 | 15 776 | 15 776 | 22 382 | 23 823 | 25 110 |
| Safety And Security - Road Safety, Fire And Disaster, Security | Road Safety, Fire And Disaster, Security | B | | 138 248 | 128 910 | 70 547 | 58 220 | 59 570 | 59 570 | 74 357 | 79 274 | 83 555 |
| Sustainable Service - Health | Health | A | | 5 884 | 5 753 | 6 134 | 1 054 | 1 054 | 1 054 | 7 277 | 7 759 | 8 178 |
| Sustainable Service - Community And Others | Community And Others | A | | 12 627 | 2 408 | 2 297 | 2 913 | 2 913 | 2 913 | 2 994 | 3 183 | 3 355 |
| Infrastructure - Roads And Stormwater | Roads And Stormwater | A | | 24 204 | 72 920 | 422 652 | 62 438 | 62 458 | 62 458 | 64 023 | 67 953 | 71 622 |
| Environmental Management - Pollution | Pollution | A | | 1 140 | 7 676 | 694 | 866 | 866 | 866 | 722 | 770 | 812 |
| Good Governance - Council And Public Participation | Good Governance | A | | 71 656 | 85 245 | 80 765 | 85 536 | 85 081 | 85 081 | 90 029 | 95 388 | 100 539 |
| Allocations to other priorities | | | 1 | 2 277 726 | 2 268 996 | 2 164 899 | 2 385 364 | 2 390 503 | 2 390 503 | 2 423 738 | 2 499 093 | 2 572 295 |
| Total Expenditure | | | | | | | | | | | | |

Table 27 MBRR Table SA7 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

| Strategic Objective R thousand | Goal | Goal Code Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|----------------------------------------------------------------|------------------------------------------|---------------------|--------------------|--------------------|--------------------|----------------------|--------------------|-----------------------|-----------------------------------------------------|---------------------------|---------------------------|
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Sustainable Service - Electricity | Electricity | A | 22 000 | 11 519 | 14 352 | 14 725 | 14 725 | 14 725 | 16 787 | 36 703 | 38 794 |
| Sustainable Service - Water | Water | A | 86 271 | 75 640 | 77 158 | 120 000 | 120 007 | 120 007 | 135 000 | 120 000 | 142 000 |
| Sustainable Service - Sanitation | Sanitation | A | 20 509 | 29 522 | 13 055 | 35 245 | 35 275 | 35 275 | 53 010 | 73 000 | 78 000 |
| Sustainable Service - Waste Management | Waste Management | A | - | - | 1 035 | - | - | - | - | - | - |
| Infrastructure - Cemeteries And Parks | Cemeteries And Parks | A | 9 107 | 720 | 488 | - | - | - | - | - | - |
| Infrastructure - Land And Housing | Land And Housing | A | - | - | 93 | - | - | - | - | - | - |
| Good Governance - Support Service | Support Service | B | - | - | - | - | - | - | - | - | - |
| Good Governance - Financial Management | Financial Management | B | 1 585 | 20 513 | 20 317 | - | 28 851 | 28 851 | - | - | - |
| Good Governance - Human Resources | Human Resources | B | - | - | - | - | - | - | - | - | - |
| Planning And Development | Planning And Development | B | - | - | 1 393 | - | - | - | - | - | - |
| Social Development - Arts, Culture, Sports And Recreation | Arts, Culture, Sports And Recreation | B | 14 091 | 2 010 | 924 | 9 500 | 9 500 | 9 500 | - | - | - |
| Safety And Security - Road Safety, Fire And Disaster, Security | Road Safety, Fire And Disaster, Security | B | 2 643 | - | - | - | 7 | 7 | - | - | - |
| Good Governance - Support Service | Audit | A | - | - | 10 | - | 51 | 51 | - | - | - |
| Sustainable Service - Community And Others | Community And Others | A | 1 164 | 12 522 | - | - | - | - | - | - | - |
| Infrastructure - Roads And Stormwater | Roads And Stormwater | A | 131 631 | 100 168 | 87 815 | 105 787 | 106 093 | 106 093 | 77 000 | 88 000 | 84 000 |
| Environmental Management - Pollution | Pollution | A | - | - | - | - | - | - | - | - | - |
| Good Governance - Council And Public Participation | Good Governance | A | - | - | 86 | - | 28 | 28 | - | - | - |
| Allocations to other priorities | | 3 | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure | | 1 | 289 000 | 252 614 | 216 725 | 285 258 | 314 537 | 314 537 | 281 797 | 317 703 | 342 794 |

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

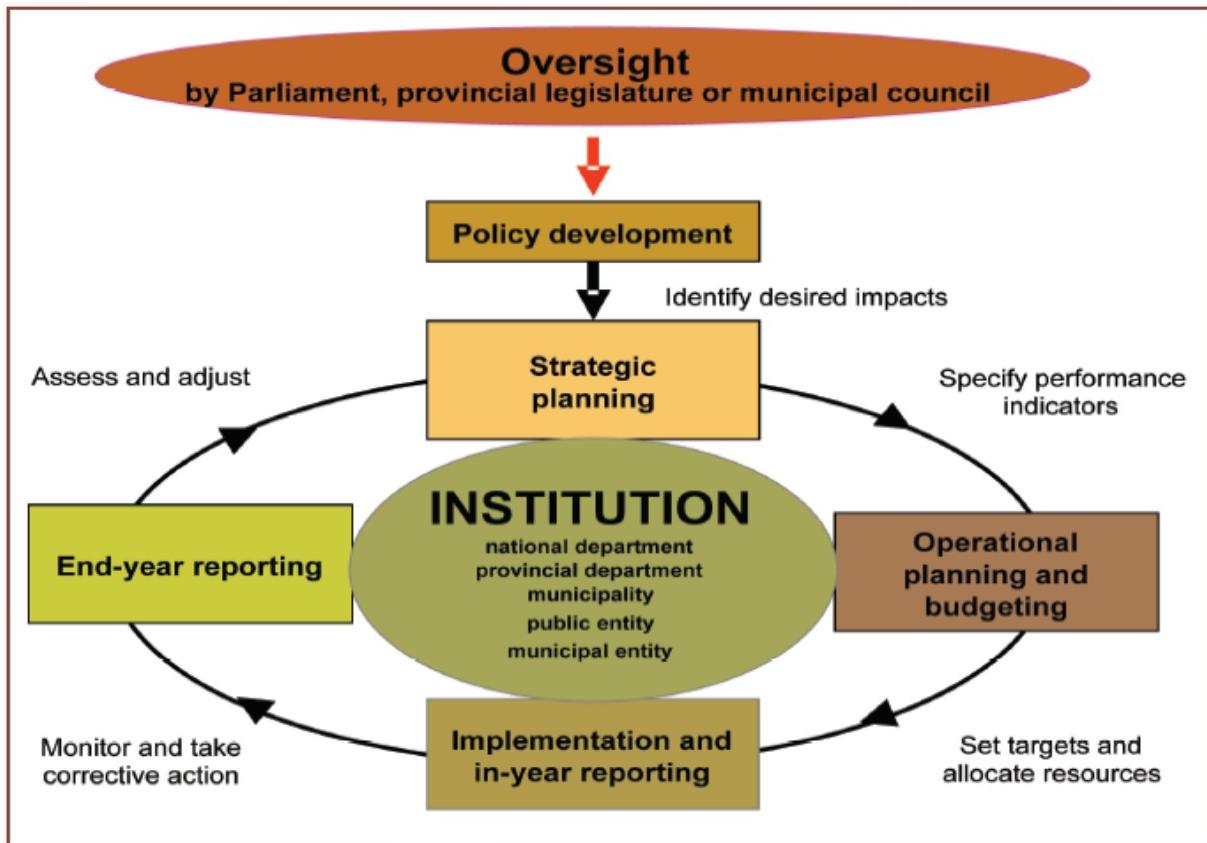


Figure 3 Planning, budgeting and reporting cycle

The performance of the Municipality relates directly to the extent to which it has achieved success in realising its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The Municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);
- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators of success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the Municipality in its integrated performance management system are aligned to the **Framework of Managing Programme Performance Information** issued by the National Treasury:

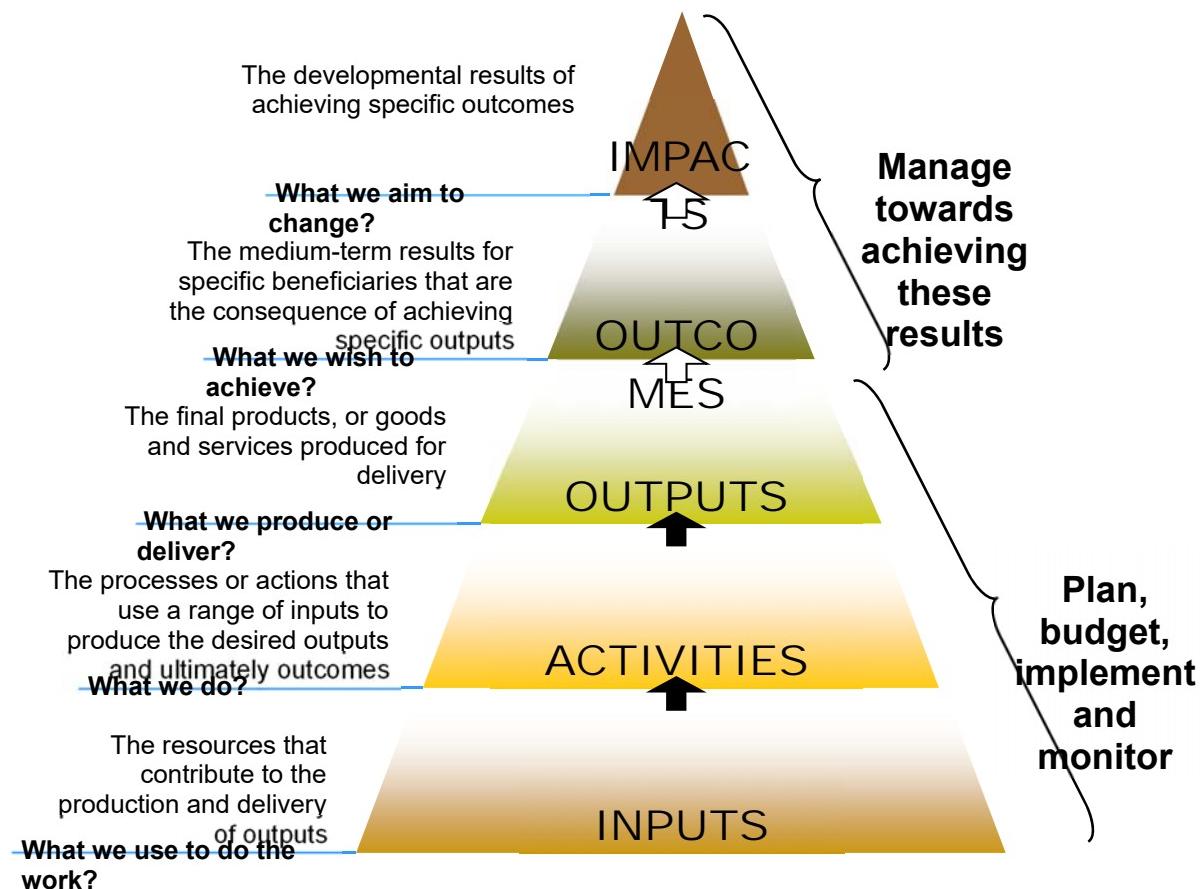


Figure 4 Definition of performance information concepts

SA 7 table below illustrates Madibeng Local Municipality's measurable performance objectives and indicators.

Table 28 MBRR Table SA7 - Measurable performance objectives

| Description | Unit of measurement | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|--------------------------------------------------------------|---------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| 06 - Infrastructure And Technical Services | | | | | | | | | | |
| Electricity | | | | | | | | | | |
| Electricity Distribution | | | | | | | | | | |
| Electricity (At Least Min. Service Level) | Households | 65 | 65 | 130 | 137 | 137 | 137 | 144 | 152 | 160 |
| Electricity - Prepaid (Min. Service Level) | Households | - | (39) | 65 | 69 | 69 | 69 | 72 | 76 | 80 |
| Electricity/Other Energy | Rand Value | 10 188 | 18 831 | 472 396 | 497 433 | 497 433 | 497 433 | 523 300 | 551 558 | 581 342 |
| Electricity/Other Energy (50kwh Per Household Per Month) | Households | 6 | (9) | 32 | 33 | 33 | 33 | 35 | 37 | 39 |
| Electricity/Other Energy (50kwh Per Household Per Month) | Rand Value | 10 188 | 18 831 | 11 874 | 12 503 | 12 503 | 12 503 | 13 153 | 13 864 | 14 612 |
| Other Energy Sources | Households | - | - | - | - | - | - | - | - | - |
| Electricity distribution losses | Percentage | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| High mast lights energized | Number | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Waste Water Management | | | | | | | | | | |
| Sewerage | | | | | | | | | | |
| Bucket Toilet | Households | 3 | (41) | 6 | 6 | 6 | 6 | 6 | 7 | 7 |
| Flush Toilet (Connected To Sewerage) | Households | 44 | 44 | 44 | 46 | 46 | 46 | 48 | 51 | 54 |
| Flush Toilet (With Septic Tank) | Households | 2 | 2 | 80 | 84 | 84 | 84 | 89 | 93 | 98 |
| No Toilet Provisions | Households | 9 | 19 | 31 | 33 | 33 | 33 | 35 | 37 | 38 |
| Sanitation | Rand Value | 175 | (1 195) | 37 583 | 39 575 | 39 575 | 39 575 | 41 633 | 43 881 | 46 250 |
| Sanitation (Free Minimum Level Service) | Households | 6 | 7 | 7 | 7 | 7 | 7 | 8 | 8 | 9 |
| Sanitation (Free Sanitation Service) | Rand Value | 175 | 285 | 227 | 239 | 239 | 239 | 251 | 265 | 279 |
| Number of new households connected to water borne sanitation | Number | | | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Water | | | | | | | | | | |
| Water Distribution | | | | | | | | | | |
| Households with access to basic level of water | Number | | | | | | | | | |
| Piped Water Inside Dwelling | Households | 36 | 10 | 36 | 38 | 38 | 38 | 40 | 42 | 44 |
| Piped Water Inside Yard (But Not In Dwelling) | Households | 74 | 101 | 98 | 103 | 103 | 103 | 109 | 115 | 121 |
| Using Public Tap (< Min. Service Level) | Households | 28 | 31 | 27 | 28 | 28 | 28 | 30 | 31 | 33 |
| Using Public Tap (At Least Min. Service Level) | Households | 5 | (15) | - | - | - | - | - | - | - |
| Water | Rand Value | 469 | 4 681 | 150 378 | 158 348 | 158 348 | 158 348 | 166 582 | 175 577 | 185 058 |
| Water (6 Kilolitres Per Household Per Month) | Households | 6 | 17 | 7 | 8 | 8 | 8 | 8 | 8 | 9 |
| Water (6 Kilolitres Per Household Per Month) | Rand Value | 469 | 449 | 422 | 445 | 445 | 445 | 468 | 493 | 520 |
| 07 - Community Services | | | | | | | | | | |
| Waste Management | | | | | | | | | | |
| Solid Waste | | | | | | | | | | |
| No Rubbish Disposal | Households | 15 | 30 | 113 | 118 | 118 | 118 | 125 | 131 | 138 |
| Other Rubbish Disposal | Households | 2 | 3 | - | - | - | - | - | - | - |
| Refuse | Rand Value | 2 965 | 4 385 | 32 553 | 34 278 | 34 278 | 34 278 | 36 061 | 38 008 | 40 060 |
| Refuse (Removed At Least Once A Week) | Households | 6 | 7 | 3 612 | 3 803 | 3 803 | 3 803 | 4 001 | 4 217 | 4 445 |
| Refuse (Removed Once A Week) | Rand Value | 2 965 | 4 385 | 41 | 44 | 44 | 44 | 46 | 48 | 51 |
| Removed At Least Once A Week | Households | 41 | 35 | 2 | 2 | 2 | 2 | 2 | 2 | 3 |
| Removed Less Frequently Than Once A Week | Households | 2 | 25 | 5 | 5 | 5 | 5 | 5 | 5 | 6 |
| Using Communal Refuse Dump | Households | 5 | 9 | 96 | 101 | 101 | 101 | 107 | 112 | 118 |
| Using Own Refuse Dump | Households | 96 | 192 | - | - | - | - | - | - | - |
| 08 - Human Settlement | | | | | | | | | | |
| Housing | | | | | | | | | | |
| Housing | | | | | | | | | | |
| Property Rates (Other Exemptions Reductions And Rebates) | Rand Value | 60 600 | 60 600 | - | - | - | - | - | - | - |
| Property Rates (R15 000 Threshold Rebate) | Rand Value | 717 | 717 | 717 | 717 | 717 | 717 | 754 | 795 | 838 |

The following table sets out the municipalities main performance objectives and benchmarks for the 2019/20 MTREF.

Table 29 MBRR Table SA8 - Performance indicators and benchmarks

| Description of financial indicator | Basis of calculation | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Borrowing Management | | | | | | | | | | | |
| Credit Rating | | | N/A | N/A | N/A | N/A | N/A | N/A | 5.8% | 5.9% | 6.1% |
| Capital Charges to Operating Expenditure | Interest & Principal Paid /Operating Expenditure | 5.2% | 6.0% | 7.7% | 4.6% | 4.6% | 4.6% | 8.4% | | | |
| Capital Charges to Own Revenue | Finance charges & Repayment of borrowing /Own Revenue | 11.5% | 11.9% | 15.5% | 9.6% | 9.6% | 9.6% | 13.3% | 12.4% | 12.4% | 12.4% |
| Borrowed funding of own' capital expenditure | Borrowing/Capital expenditure excl. transfers and grants and contributions | 102.4% | 554.2% | 431.8% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Safety of Capital | | | | | | | | | | | |
| Gearing | Long Term Borrowing/ Funds & Reserves | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Liquidity | | | | | | | | | | | |
| Current Ratio | Current assets/current liabilities | 0.8 | 0.8 | 1.3 | 1.8 | 1.8 | 1.8 | 1.4 | 1.2 | 1.6 | 2.1 |
| Current Ratio adjusted for aged debtors | Current assets less debtors > 90 days/current liabilities | 0.8 | 0.8 | 1.3 | 1.8 | 1.8 | 1.8 | 1.4 | 1.2 | 1.6 | 2.1 |
| Liquidity Ratio | Monetary Assets/Current Liabilities | 0.1 | 0.0 | 0.1 | 0.2 | 0.2 | 0.2 | (0.1) | 0.1 | 0.2 | 0.5 |
| Revenue Management | | | | | | | | | | | |
| Annual Debtors Collection Rate (Payment Level %) | Last 12 Mths Receipts/Last 12 Mths Billing | | 78.9% | 52.5% | 98.4% | 73.2% | 73.2% | 77.1% | 85.4% | 80.9% | 82.4% |
| Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue) | | | 78.9% | 54.2% | 98.4% | 73.2% | 73.2% | 77.1% | 85.4% | 80.9% | 81.8% |
| Outstanding Debtors to Revenue | Total Outstanding Debtors to Annual Revenue | 21.1% | 31.4% | 39.1% | 24.3% | 24.3% | 24.3% | 225.2% | 44.8% | 42.6% | 40.7% |
| Longstanding Debtors Recovered | Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old | | | | | | | | | | |
| Creditors Management | | | | | | | | | | | |
| Creditors System Efficiency | % of Creditors Paid Within Terms (within MFMA's 65(e)) | | | | | | | | | | |
| Creditors to Cash and Investments | | 689.8% | 1893.0% | 1726.6% | 1274.5% | 848.9% | 365.2% | 1222.1% | 735.5% | 250.4% | 102.6% |
| Other Indicators | | | | | | | | | | | |
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2.3.1 Performance indicators and benchmarks

2.3.1.1 *Borrowing Management*

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, Madibeng Local Municipality's borrowing strategy is primarily informed by the affordability of debt repayments. Madibeng Local Municipality's creditworthiness does not allow it to borrow funds to fund capital expenditure. The following financial performance indicators have formed part of the compilation of the 2019/20MTREF:

- *Borrowing to asset ratio* is a measure of the long-term borrowing as a percentage of the total asset base of the municipality.
- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure.
- *Borrowing funding of own capital expenditure* measures the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing.

2.3.1.2 *Safety of Capital*

- *The debt-to-equity ratio* is a financial ratio indicating the relative proportion of equity and debt used in financing the municipality's assets. The indicator is based on the total of loans, creditors, and overdraft and tax provisions as a percentage of funds and reserves.
- *The gearing ratio* is a measure of the total long term borrowings over funds and reserves.

2.3.1.3 *Liquidity*

- *Current ratio* is a measure of the current assets divided by the current liabilities and as a benchmark the Municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. For the 2019/20 MTREF the current ratio is 1.2 in the 2019/20 financial year and 1.6 and 2.1 for the two outer years of the MTREF. Going forward it will be necessary to maintain these levels.
- *The liquidity ratio* is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. For the 2018/19 financial year the ratio was 0.2 and as part of the financial planning strategy it has been decreased to 0.1 in the 2019/20 financial year. This needs to be considered a pertinent risk for the municipality as any under collection of revenue will translate into serious financial challenges for the Municipality. As part of the longer term financial planning objectives this ratio will have to be set at a minimum of 1.

2.3.1.4 *Revenue Management*

- As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings

but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, credit control and debt collection.

2.3.1.5 *Creditors Management*

- The Municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the Municipality, which is expected to benefit the Municipality in the form of more competitive pricing of tenders, as suppliers compete for the Municipality's business.

2.3.1.6 *Other Indicators*

- Employee costs as a percentage of operating revenue continues to increase over the MTREF.
- Similar to that of employee costs, repairs and maintenance as percentage of operating revenue is also decreasing owing directly to cost drivers such as bulk purchases increasing far above inflation. In real terms, repairs and maintenance has increased as part of the Municipality's strategy to ensure the management of its asset base.

2.3.2 **Free Basic Services: basic social services package for indigent households**

The social package assists residents that have difficulty paying for services and are registered as indigent households in terms of the Indigent Policy of the Municipality. With the exception of water, only registered indigents qualify for the free basic services.

For the 2019/20 financial year 2 080 registered indigents have been provided for in the budget with this figure increasing to 4100 by 2019/20. This is due to the proper capturing of indigents on the municipality's indigent database. In terms of the Municipality's indigent policy registered households are entitled to 6kl fee water, 50 kwh of electricity, 6 kl sanitation and free waste removal equivalent to 85l once a week, as well as a discount on their property rates.

Further detail relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services is contained in Table 27 MBRR A10 (Basic Service Delivery Measurement).

Note that the number of households in informal areas that receive free services and the cost of these services (e.g. the provision of water through stand pipes, water tankers, etc) are not taken into account in the table noted above.

2.3.3 **Providing clean water and managing waste water**

The Municipality is the Water Services Authority for the entire municipality in terms of the Water Services Act, 1997 and acts as water services provider. Approximately 71 per cent of the

Municipality's bulk water needs are provided directly by Rand Water in the form of purified water. The remaining 29 per cent is generated from the Municipality's own water sources, such as boreholes and small dams.

The Department of Water Affairs conducts an annual performance rating of water treatment works, presenting a Blue Drop or Green Drop award respectively to potable water treatment works and waste water treatment works that meet certain criteria of excellence.

Rand Water and the Municipality were awarded Blue Drop status in 2018/19, indicating that the Municipality's drinking water is of exceptional quality. The Batho Pele Water Treatment Plant was awarded the best medium sized drinking water treatment works by the Department of Water Affairs.

Of the 8 waste water treatment works, two were awarded Green Drop status in 2018/19, indicating that these two plants consistently meet waste water treatment standards of exceptional quality. The remaining 6 plants will require renewals/upgrading to meet the minimum Green Drop certification standards. This has been prioritised as part of the 2019/20 medium term capital budget.

The following is briefly the main challenges facing the Municipality in this regard:

- The infrastructure at most of the waste water treatment works is old and insufficient to treat the increased volumes of waste water to the necessary compliance standard;
- Shortage of skilled personnel makes proper operations and maintenance difficult;
- Electrical power supply to some of the plants is often interrupted which hampers the purification processes; and
- There is a lack of proper regional catchment management, resulting in storm water entering the sewerage system.

The following are some of the steps that have been taken to address these challenges:

- Infrastructure shortcomings are being addressed through the capital budget in terms of a 5-year upgrade plan;
- The filling of vacancies has commenced and the Waste Water Division will embark on an in-house training programme, especially for operational personnel;
- The Electricity Division is to install dedicated power supply lines to the plants; and
- The Division is working in consultation with the Department of Water Affairs to address catchment management.

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

2.4.1 Review of credit control and debt collection procedures/policies

The Collection Policy as approved by Council in October 2008 is currently under review. While the adopted policy is credible, sustainable, manageable and informed by affordability and value for money there has been a need to review certain components to achieve a higher collection

rate. Some of the possible revisions will include the lowering of the credit periods for the down payment of debt. In addition emphasis will be placed on speeding up the indigent registration process to ensure that credit control and debt collection efforts are not fruitlessly wasted on these debtors.

As most of the indigents within the municipal area are unable to pay for municipal services because they are unemployed, the Integrated Indigent Exit Programme aims to link the registered indigent households to development, skills and job opportunities. The programme also seeks to ensure that all departments as well as external role players are actively involved in the reduction of the number of registered indigent households.

The 2019/20MTREF has been prepared on the basis of achieving an average debtors' collection rate of 95 per cent on current billings. In addition the collection of debt in excess of 90 days has been prioritised as a pertinent strategy in increasing the Municipality's cash levels. In addition, the potential of a payment incentive scheme is being investigated and if found to be viable will be incorporated into the policy.

2.4.2 Asset Management, Infrastructure Investment and Funding Policy

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the Municipality's revenue base. Within the framework, the need for asset renewal was considered a priority and hence the capital programme was determined based on renewal of current assets versus new asset construction.

Further, continued improvements in technology generally allows many assets to be renewed at a lesser 'real' cost than the original construction cost. Therefore, it is considered prudent to allow for a slightly lesser continual level of annual renewal than the average annual depreciation. The Asset Management, Infrastructure and Funding Policy is therefore considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance and is utilised as a guide to the selection and prioritisation of individual capital projects. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

2.4.3 Budget Adjustment Policy

The adjustments budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.4 Supply Chain Management Policy

The Supply Chain Management Policy was adopted by Council in September 2007. An amended policy will be considered by Council in due course of which the amendments will be extensively consulted on.

2.4.5 Budget and Virement Policy

The Budget and Virement Policy aims to empower senior managers with an efficient financial and budgetary amendment and control system to ensure optimum service delivery within the legislative framework of the MFMA and the Municipality's system of delegations. The Budget and Virement Policy was approved by Council in August 2009 and was amended on 16 February 2011 in respect of both Operating and Capital Budget Fund Transfers.

2.4.6 Cash Management and Investment Policy

The Municipality's Cash Management and Investment Policy was amended by Council in January 2011. The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves. The policy details the minimum cash and cash equivalents required at any point in time and introduces time frames to achieve certain benchmarks.

2.4.7 Tariff Policies

The Municipality's tariff policies provide a broad framework within which the Council can determine fair, transparent and affordable charges that also promote sustainable service delivery. The policies have been approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation of the next two years.

2.4.8 Financial Modelling and Scenario Planning Policy

The Financial Modelling and Scenario Planning Policy has directly informed the compilation of the 2019/20MTREF with the emphasis on affordability and long-term sustainability. The policy dictates the approach to longer term financial modelling. The outcomes are then filtered into the budget process. The model and scenario planning outcomes are taken to Council every November and then translate into recommendations for the budget guidelines that inform the compilation of the next MTREF. One of the salient features of the policy is the emphasis on financial sustainability. Amongst others, the following has been modelled as part of the financial modelling and scenario planning process:

- Approved 2018/19 Adjustments Budget;
- Cash Flow Management Interventions, Initiatives and Strategies (including the cash backing of reserves);
- Economic climate and trends (i.e Inflation, household debt levels, indigent factors, growth, recessionary implications);
- Loan and investment possibilities;
- Performance trends;
- Tariff Increases;
- The ability of the community to pay for services (affordability);

- Policy priorities;
- Improved and sustainable service delivery; and
- Debtor payment levels.

All the above policies are available on the Municipality's website, as well as the following budget related policies:

- Property Rates Policy;
- Funding and Reserves Policy;
- Borrowing Policy;
- Budget Policy; and
- Basic Social Services Package (Indigent Policy).

2.5 Overview of budget assumptions

2.5.1 External factors

Owing to the economic slowdown, financial resources are limited due to reduced payment levels by consumers. This has resulted in declining cash inflows, which has necessitated restrained expenditure to ensure that cash outflows remain within the affordability parameters of the Municipality's finances.

2.5.2 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection is currently expressed as a percentage (75 per cent) of annual billings. Cash flow is assumed to be 75 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.3 Growth or decline in tax base of the municipality

Debtors revenue is assumed to increase at a rate that is influenced by the consumer debtors collection rate, tariff/rate pricing, real growth rate of the Municipality, household formation growth rate and the poor household change rate.

Household formation is the key factor in measuring municipal revenue and expenditure growth, as servicing 'households' is a greater municipal service factor than servicing individuals. Household formation rates are assumed to convert to household dwellings. In addition the change in the number of poor households influences the net revenue benefit derived from household formation growth, as it assumes that the same costs incurred for servicing the

household exist, but that no consumer revenue is derived as the 'poor household' limits consumption to the level of free basic services.

2.5.4 Salary increases

The collective agreement regarding salaries/wages came into operation on 1 July 2018 and shall remain in force until 30 June 2021. The percentage increase for year 1 (2018/19) was 7%, with CPI + 1.5% and CPI + 1.25% increment for outer years respectfully.

2.5.5 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.6 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at least 97 per cent is achieved on operating expenditure and 98 per cent on the capital programme for the 2018/19 MTREF of which performance has been factored into the cash flow budget.

2.6 Overview of budget funding

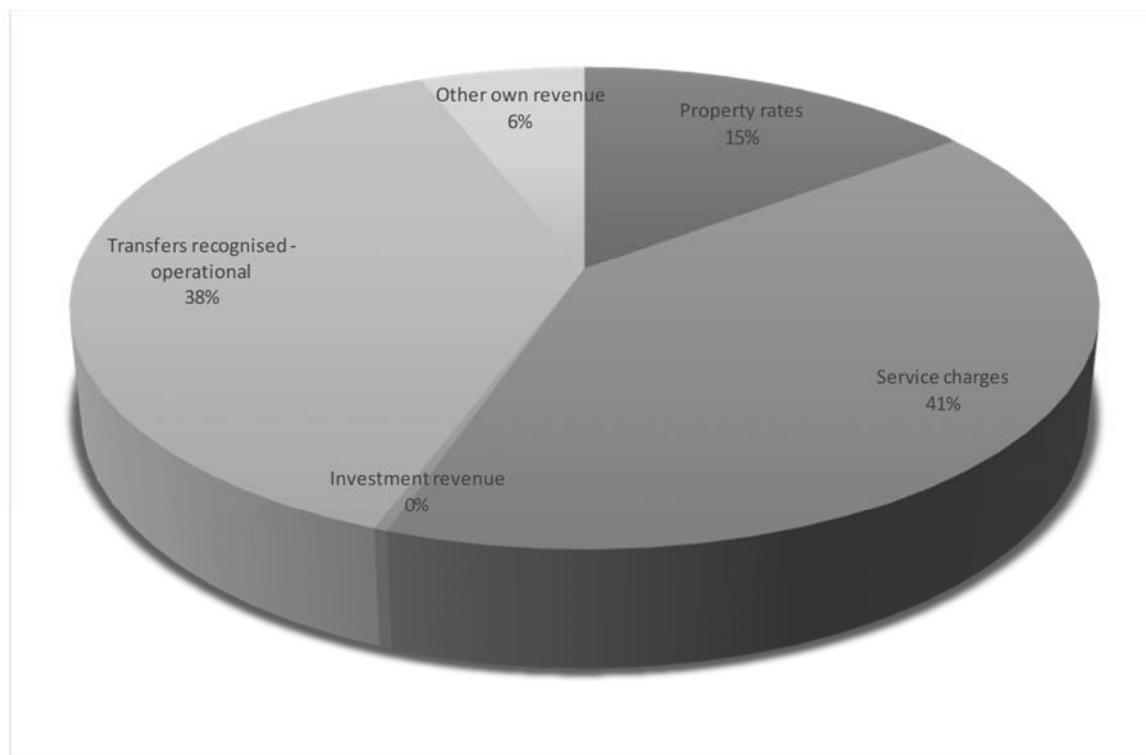
2.6.1 Medium-term outlook: operating revenue

The following table is a breakdown of the operating revenue over the medium-term:

Table 30 Breakdown of the operating revenue over the medium-term

| Description | 2019/20 Medium Term Revenue & Expenditure Framework | | | | | |
|---------------------------------------------------------------|-----------------------------------------------------|------|---------------------------|------|---------------------------|------|
| | Budget Year 2019/20 | % | Budget Year +1 2020/21 | % | Budget Year +2 2021/22 | % |
| R thousands | | | | | | |
| <u>Financial Performance</u> | | | | | | |
| Property rates | 270 000 | 15% | 285 000 | 15% | 300 390 | 14% |
| Service charges | 741 875 | 41% | 781 863 | 40% | 823 988 | 39% |
| Investment revenue | 6 732 | 0% | 7 090 | 0% | 7 470 | 0% |
| Transfers recognised - operational | 699 244 | 38% | 772 980 | 39% | 857 859 | 41% |
| Other own revenue | 111 204 | 6% | 117 199 | 6% | 123 190 | 6% |
| Total Revenue (excluding capital transfers and contributions) | 1 829 055 | 100% | 1 964 132 | 100% | 2 112 897 | 100% |
| Total Expenditure | 2 423 738 | | 2 499 093 | | 2 572 295 | |
| Surplus/(Deficit) | (594 683) | | (534 962) | | (459 397) | |

The following graph is a breakdown of the operational revenue per main category for the 2019/20 financial year.

**Figure 5 Breakdown of operating revenue over the 2019/20MTREF**

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue from the provision of goods and services such as water, electricity, sanitation and solid waste removal. Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the Municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 75 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;
- Electricity tariff increases within the National Electricity Regulator of South Africa (NERSA) approval;
- Achievement of full cost recovery of specific user charges;
- Determining tariff escalation rate by establishing/calculating revenue requirements;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2019/20MTREF on the different revenue categories are:

Table 31 Proposed tariff increases over the medium-term

Revenue to be generated from property rates is R320 million in the 2018/19 financial year and decreases to R270 million by 2019/20 which represents 15 per cent of the operating revenue base of the Municipality. It remains relatively constant over the medium-term. With the implementation of the Municipal Property Rates Act the basis of rating significantly changed.

The Municipality is still in a process of further data verification and validation relating to the valuation roll. In addition there are still outstanding objections, although significant progress was made in dealing with these objections in the 2018/19 financial year. It is anticipated that the process will be concluded by the end of 2018/19. As the levying of property rates is considered a strategic revenue source a further supplementary valuation process will be undertaken in the 4th quarter of the 2018/19 financial year. The outcome of this initiative will be closely monitored and reported on a regular basis as part of the quarterly performance reporting.

Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totaling R712.8 million for the 2018/19 financial year and increasing to R741.8 million by 2019/20. For the 2019/20 financial year services charges amount to 40 per cent of the total revenue base and grows by 1 per cent per annum over the medium-term. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.

Operational grants and subsidies amount to R699 million, R773 million and R858 million for each of the respective financial years of the MTREF, or 38, 39 and 41 per cent of operating revenue. It needs to be noted that in real terms the grants receipts from national government are growing rapidly over the MTREF by 1 per cent and 2 per cent for the two outer years.

Investment revenue contributes marginally to the revenue base of the Municipality with a budget allocation of R6.7 million, R7.0 million and R7.4 million for the respective three financial years of the 2019/20 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

The tables below provide detail investment information and investment particulars by maturity.

Table 32 MBRR SA15 – Detail Investment Information

| Investment type R thousand | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & | | |
|--------------------------------------------|--------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Parent municipality | | | | | | | | | | |
| Securities - National Government | | - | - | - | - | - | - | - | - | - |
| Listed Corporate Bonds | | - | - | - | - | - | - | - | - | - |
| Deposits - Bank | 66 079 | 13 817 | 18 502 | 63 689 | 63 689 | 63 689 | 69 794 | 157 607 | 290 394 | |
| Deposits - Public Investment Commissioners | | - | - | - | - | - | - | - | - | - |
| Deposits - Corporation for Public Deposits | | - | - | - | - | - | - | - | - | - |
| Bankers Acceptance Certificates | | - | - | - | - | - | - | - | - | - |
| Negotiable Certificates of Deposit - Banks | | - | - | - | - | - | - | - | - | - |
| Guaranteed Endowment Policies (sinking) | | - | - | - | - | - | - | - | - | - |
| Repurchase Agreements - Banks | | - | - | - | - | - | - | - | - | - |
| Municipal Bonds | | - | - | - | - | - | - | - | - | - |
| Consolidated total: | | 66 079 | 13 817 | 18 502 | 63 689 | 63 689 | 63 689 | 69 794 | 157 607 | 290 394 |

Table 33 MBRR SA16 – Investment particulars by maturity

| Investments by Maturity | Period of Investment | Type of Investment | Expiry date of investment | Opening balance | Interest to be realised | Partial / Premature Withdrawal (4) | Investment Top Up | | Closing Balance |
|--------------------------------|----------------------|--------------------|---------------------------|-----------------|-------------------------|------------------------------------|-------------------|--------|-----------------|
| | | | | | | | Rand Thousand | | |
| Parent municipality | | | | | | | | | |
| FNB | 12 Months | Call Deposits | N/A | 49 900 | 6 732 | (285 435) | 285 435 | 56 632 | |
| TOTAL INVESTMENTS AND INTEREST | | | | 49 900 | 6 732 | (285 435) | 285 435 | 56 632 | |

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2019/20 medium-term capital programme:

Table 34 Sources of capital revenue over the MTREF

| Vote Description R thousand | | | 2019/20 Medium Term Revenue & Expenditure Framework | | | | | |
|--------------------------------|-----------------|------|-----------------------------------------------------|------|------------------------|------|------------------------|------|
| | Adjusted Budget | % | Budget Year 2019/20 | % | Budget Year +1 2020/21 | % | Budget Year +2 2021/22 | % |
| Funded by: | | | | | | | | |
| National Government | 285 258 | | 281 797 | | 317 703 | | 342 794 | |
| Provincial Government | - | | - | | - | | - | |
| District Municipality | - | | - | | - | | - | |
| Other transfers and grants | - | | - | | - | | - | |
| Transfers recognised - capital | 285 258 | 91% | 281 797 | 100% | 317 703 | 100% | 342 794 | 100% |
| Borrowing | - | 0% | - | 0% | - | 0% | - | 0% |
| Internally generated funds | 29 279 | 9% | - | 0% | - | 0% | - | 0% |
| Total Capital Funding | 314 537 | 100% | 281 797 | 100% | 317 703 | 100% | 342 794 | 100% |

Figure 6 Sources of capital revenue for the 2019/20 financial year

Capital grants and receipts equates to 14 per cent of the total funding source which represents R285.2 million for the 2018/19 financial year and steadily increase to R317.7 million or 13 per cent by 2019/20. Growth relating to grant receipts is 2.5, 8.1 and 7.6 per cent over the medium-term.

As explained earlier, the borrowing capacity of the Municipality has essentially reached its limits.

The following table is a detailed analysis of the Municipality's borrowing liability.

Table 35 MBRR Table SA 17 - Detail of borrowings

| Borrowing - Categorised by type R thousand | Ref | 2015/16 | | | 2016/17 | | | 2017/18 | | | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|-----------------------------------------------|-----|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|---------------------|------------------------|------------------------|----------------------|--|--|-----------------------------------------------------|--|--|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | | | | | | |
| Parent municipality | | - | - | - | - | - | - | - | - | - | | | | | | |
| Annuity and Bullet Loans | | 879 870 | 986 965 | 1 115 456 | 950 859 | 950 859 | 950 859 | 1 171 342 | 1 236 937 | 1 301 258 | | | | | | |
| Long-Term Loans (non-annuity) | | | | | | | | | | | | | | | | |
| Total Borrowing | 1 | 879 870 | 986 965 | 1 115 456 | 950 859 | 950 859 | 950 859 | 1 171 342 | 1 236 937 | 1 301 258 | | | | | | |

The following graph illustrates the growth in outstanding borrowing for the 2007/08 to 2019/20 period.

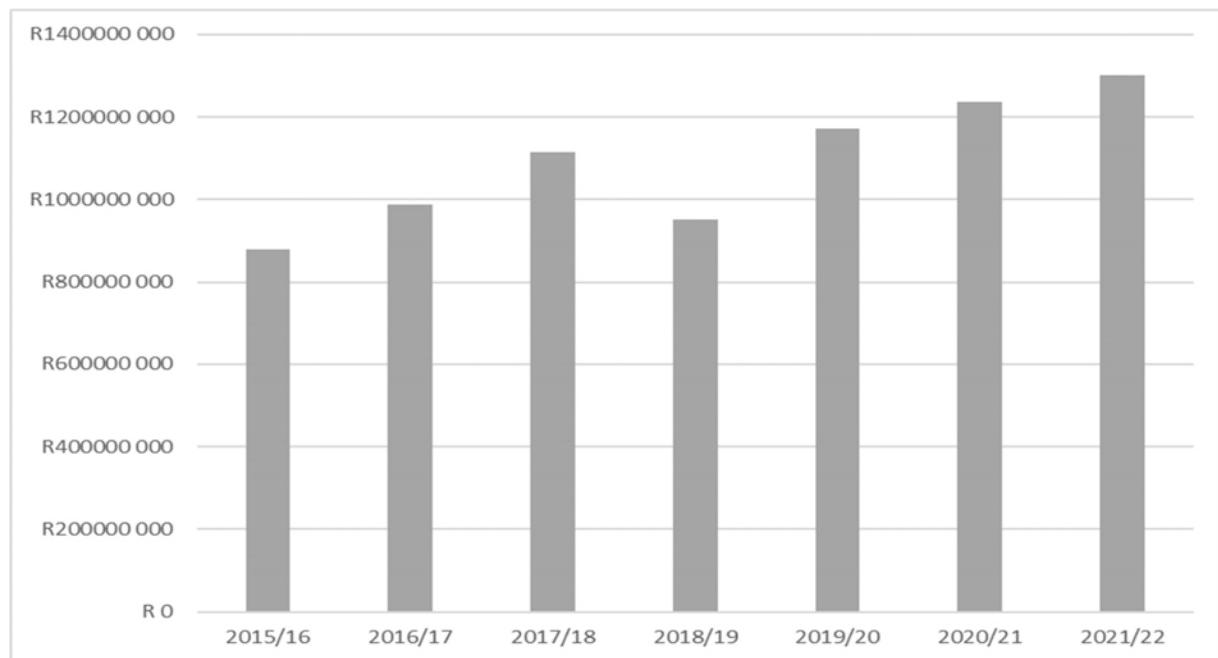


Table 36 MBRR Table SA 18 - Capital transfers and grant receipts

| Description | Ref | 2015/16 | | | 2016/17 | | | 2017/18 | | | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|-----------------------------------------------|-----|------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|---------------------|------------------------|------------------------|--|--|-----------------------------------------------------|--|--|
| | | R thousand | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | | | | | |
| Capital Transfers and Grants | | | | | | | | | | | | | | | | |
| National Government: | | 284 461 | 248 907 | 287 005 | 285 258 | 285 258 | 285 258 | 285 258 | 281 797 | 298 503 | 322 538 | | | | | |
| Municipal Infrastructure Grant (MIG) | | 284 461 | 248 907 | 287 005 | 285 258 | 285 258 | 285 258 | 285 258 | 281 797 | 298 503 | 322 538 | | | | | |
| Integrated National Electrification Programme | | - | 11 304 | 14 000 | - | - | - | - | - | 19 200 | 20 256 | | | | | |
| Provincial Government: | | - | - | - | - | - | - | - | - | - | - | | | | | |
| District Municipality: | | - | - | - | - | - | - | - | - | - | - | | | | | |
| Other grant providers: | | - | - | - | - | - | - | - | - | - | - | | | | | |
| Total Capital Transfers and Grants | 5 | 284 461 | 248 907 | 287 005 | 285 258 | 285 258 | 285 258 | 285 258 | 281 797 | 298 503 | 322 538 | | | | | |

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understandability for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue., and
- Separation of borrowing and loan repayments (no set-off), to assist with MFMA compliance assessment regarding the use of long term borrowing (debt).

Table 37 MBRR Table A7 - Budget cash flow statement

| Description R thousand | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------------------------|-----|------------------|------------------|------------------|----------------------|------------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates | | 231 127 | 296 046 | 258 006 | 230 000 | 230 000 | 200 000 | 156 937 | 207 500 | 223 750 | 230 293 |
| Service charges | | 502 745 | 227 842 | 646 403 | 526 000 | 526 000 | 596 000 | 397 294 | 611 406 | 654 921 | 690 003 |
| Other revenue | | 13 552 | 32 132 | 36 225 | 29 512 | 65 512 | 65 512 | 9 592 | 20 092 | 21 167 | 21 974 |
| Government - operating | 1 | 442 428 | 504 673 | 569 142 | 571 733 | 572 804 | 572 804 | 428 806 | 699 244 | 772 980 | 857 859 |
| Government - capital | 1 | 296 442 | 263 056 | 212 007 | 301 005 | 301 005 | 301 005 | 106 603 | 281 797 | 317 703 | 342 794 |
| Interest | | 7 717 | 99 646 | 90 896 | 10 500 | 20 000 | 20 000 | 57 537 | 15 066 | 15 590 | 16 370 |
| Dividends | | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | (1 196 934) | (1 200 077) | (1 592 069) | (1 308 392) | (1 369 115) | (1 369 115) | (1 041 600) | (1 513 737) | (1 594 945) | (1 677 161) |
| Finance charges | | (0) | (116 410) | (127 974) | - | - | - | - | - | - | - |
| Transfers and Grants | 1 | | | | (10 000) | (5 000) | (5 000) | (1 649) | (4 500) | (4 600) | (4 700) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 297 077 | 106 908 | 92 635 | 350 358 | 341 206 | 381 206 | 113 521 | 316 869 | 406 566 | 477 432 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | - | 6 108 | - | - | - | - | - | - | - | - |
| Decrease (Increase) in non-current debtors | | - | - | - | - | - | - | - | - | - | - |
| Decrease (increase) other non-current receivables | | - | (16 378) | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | | (186) | (132) | (253) | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Capital assets | | (289 000) | (242 160) | (214 830) | (301 005) | (311 487) | (311 487) | (83 914) | (281 797) | (317 703) | (342 794) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (289 187) | (252 563) | (215 083) | (301 005) | (311 487) | (311 487) | (83 914) | (281 797) | (317 703) | (342 794) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | - | - | - |
| Borrowing long term/refinancing | | 5 935 | 113 682 | 128 491 | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | - | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | (3 629) | (3 826) | (5 717) | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 2 307 | 109 856 | 122 774 | - | - | - | - | - | - | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 10 198 | (35 799) | 326 | 49 353 | 29 719 | 69 719 | 29 607 | 35 072 | 88 863 | 134 638 |
| Cash/cash equivalents at the year begin: | 2 | 58 958 | 69 155 | 33 366 | (29 235) | 484 | 484 | 484 | 28 922 | 63 994 | 152 857 |
| Cash/cash equivalents at the year end: | 2 | 69 155 | 33 357 | 33 692 | 20 118 | 30 203 | 70 203 | 30 091 | 63 994 | 152 857 | 287 494 |

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years

there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 38 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation

| Description R thousand | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------------------------|-----|------------------|------------------|-----------------|----------------------|-----------------|--------------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Cash and investments available | | | | | | | | | | | |
| Cash/cash equivalents at the year end | 1 | 69 155 | 33 357 | 33 692 | 20 118 | 30 203 | 70 203 | 30 091 | 63 994 | 152 857 | 287 494 |
| Other current investments > 90 days | | 3 459 | 9 | - | 36 858 | 26 773 | (13 227) | (201 445) | - | - | - |
| Non current assets - Investments | 1 | 12 643 | 12 785 | 13 038 | 13 689 | 13 689 | 13 689 | 12 793 | 12 800 | 12 850 | 12 900 |
| Cash and investments available: | | 85 257 | 46 151 | 46 730 | 70 665 | 70 665 | 70 665 | (158 562) | 76 794 | 165 707 | 300 394 |
| Application of cash and investments | | | | | | | | | | | |
| Unspent conditional transfers | | - | 327 | 987 | - | - | - | 156 073 | - | - | - |
| Unspent borrowing | | - | - | - | - | - | - | - | - | - | - |
| Statutory requirements | 2 | | | | | | | | | | |
| Other working capital requirements | 3 | 249 604 | 378 204 | (57 902) | (40 421) | (54 024) | (69 139) | (1 749 204) | (141 562) | (252 583) | (355 471) |
| Other provisions | | 169 683 | 178 224 | | | | | | 129 731 | 136 260 | 142 790 |
| Long term investments committed | 4 | - | - | - | - | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 5 | - | - | - | - | - | - | - | - | - | - |
| Total Application of cash and investments: | | 419 287 | 556 754 | (56 914) | (40 421) | (54 024) | (69 139) | (1 593 131) | (11 831) | (116 323) | (212 681) |
| Surplus(shortfall) | | (334 030) | (510 603) | 103 644 | 111 085 | 124 688 | 139 803 | 1 434 569 | 88 625 | 282 029 | 513 075 |

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding

compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

Table 39 MBRR SA10 – Funding compliance measurement

| Description | MFMA section | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | | |
|---------------------------------------------------------------|--------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|---------------------|------------------------|------------------------|
| | | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Funding measures | | | | | | | | | | | | |
| Cash/cash equivalents at the year end - R'000 | 18(1)b | 1 | 69 155 | 33 357 | 33 692 | 20 118 | 30 203 | 70 203 | 30 091 | 63 994 | 152 857 | 287 494 |
| Cash + investments at the yr end less applications - R'000 | 18(1)b | 2 | (334 030) | (510 603) | 103 644 | 111 085 | 124 688 | 139 803 | 1 434 569 | 88 625 | 282 029 | 513 075 |
| Cash year end/monthly employee/supplier payments | 18(1)b | 3 | 0.6 | 0.3 | 0.3 | 0.1 | 0.2 | 0.5 | 0.3 | 0.4 | 1.0 | 1.8 |
| Surplus/(Deficit) excluding depreciation offsets: R'000 | 18(1) | 4 | (502 811) | (363 915) | (310 513) | (326 087) | (330 310) | (330 310) | 337 134 | (312 886) | (217 259) | (116 603) |
| Service charge rev % change - macro CPIX target exclusive | 18(1)a,(2) | 5 | N.A. | (1.9%) | (11.0%) | 6.4% | (6.0%) | (6.0%) | (43.2%) | (8.0%) | (0.6%) | (0.6%) |
| Cash receipts % of Ratepayer & Other revenue | 18(1)a,(2) | 6 | 73.0% | 49.0% | 88.2% | 68.9% | 72.1% | 75.6% | 79.4% | 74.7% | 76.0% | 75.5% |
| Debt impairment expense as a % of total billable revenue | 18(1)a,(2) | 7 | 24.6% | 16.3% | (14.0%) | 27.1% | 27.1% | 27.1% | 12.5% | 27.2% | 22.0% | 16.9% |
| Capital payments % of capital expenditure | 18(1)c;19 | 8 | 100.0% | 95.9% | 99.1% | 105.5% | 99.0% | 99.0% | 59.1% | 100.0% | 100.0% | 100.0% |
| Borrowing receipts % of capital expenditure (excl. transfers) | 18(1)c | 9 | 102.4% | 554.2% | 431.8% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Grants % of Govt legislated/gazetted allocations | 18(1)a | 10 | | | | | | | | 0.0% | 0.0% | 0.0% |
| Current consumer debtors % change - inc/(dec) | 18(1)a | 11 | N.A. | 65.9% | 40.4% | (40.6%) | 0.0% | 0.0% | 519.3% | 90.3% | 2.0% | 3.0% |
| Long term receivables % change - inc/(dec) | 18(1)a | 12 | N.A. | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| R&M % of Property Plant & Equipment | 20(1)(vi) | 13 | 1.8% | 2.1% | 1.8% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% | 1.5% |
| Asset renewal % of capital budget | 20(1)(vi) | 14 | 0.0% | 0.0% | 9.5% | 8.8% | 7.9% | 7.9% | 0.0% | 0.0% | 0.0% | 0.0% |

2.6.5.1 Cash/cash equivalent position

The Municipality's forecast cash position was discussed as part of the budgeted cash flow statement. A 'positive' cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2019/20 MTREF shows R63.9 million, R152.8 million and R287.4 million for each respective financial year.

2.6.5.2 Cash plus investments less application of funds

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The detail reconciliation of the cash backed reserves/surpluses is contained in Table 25, on page 25. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. This has been extensively discussed above.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

The purpose of this measure is to understand the level of financial risk should the municipality

be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the Municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection such as rate boycotts.

2.6.5.4 Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. An 'adjusted' surplus/deficit is achieved by offsetting the amount of depreciation related to externally funded assets. Municipalities need to assess the result of this calculation taking into consideration its own circumstances and levels of backlogs. If the outcome is a deficit, it may indicate that rates and service charges are insufficient to ensure that the community is making a sufficient contribution toward the economic benefits they are consuming over the medium term.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

2.6.5.5 Property Rates/service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in 'revenue', which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3 - 6 per cent). The result is intended to be an approximation of the real increase in revenue.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are 'collected'. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 74.7, 76.0 and 75.5 per cent for each of the respective financial years. Given that the assumed collection rate was based on a 75 per cent performance target, the cash flow statement has been conservatively determined. In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be meticulously managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 27.2, 22.0 and 16.9 per cent over the MTREF. Considering the debt incentive

scheme and the municipality's revenue management strategy's objective to collect outstanding debtors of 90 days, the provision is well within the accepted leading practice.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position

2.6.5.9 Borrowing as a percentage of capital expenditure (excluding transfers, grants and contributions)

The purpose of this measurement is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. Externally funded expenditure (by transfers/grants and contributions) has been excluded

2.6.5.10 Transfers/grants revenue as a percentage of Government transfers/grants available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The Municipality has budgeted for all transfers.

2.6.5.11 Consumer debtors change (Current and Non-current)

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. Both measures show a relatively stable trend in line with the Municipality's policy of settling debtors accounts within 30 days.

2.6.5.12 Repairs and maintenance expenditure level

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or sustainable in the medium to long term because the revenue budget is not being protected. Details of the Municipality's strategy pertaining to asset management and repairs and maintenance is contained in Table 60 MBRR SA34C.

2.6.5.13 Asset renewal/rehabilitation expenditure level

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability. A declining or low level of renewal funding may indicate that a budget is not credible and/or sustainable and future revenue is not being protected, similar to the justification for 'repairs and maintenance' budgets. Further details in this regard are contained in Table 59 MBRR SA34b.

2.7 Expenditure on grants and reconciliations of unspent funds

Table 40 MBRR SA19 - Expenditure on transfers and grant programmes

| Description R thousand | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| EXPENDITURE: | 1 | | | | | | | | | |
| <u>Operating expenditure of Transfers and Grants</u> | | | | | | | | | | |
| National Government: | | 461 993 | 506 218 | 571 733 | 627 887 | 627 887 | 627 887 | 699 244 | 772 980 | 857 859 |
| Local Government Equitable Share | | 457 443 | 503 048 | 567 442 | 624 943 | 624 943 | 624 943 | 695 606 | 770 313 | 854 928 |
| EPWP Incentive | | 2 020 | 1 545 | 2 591 | 1 174 | 1 174 | 1 174 | 1 403 | - | - |
| Municipal Systems Improvement | | 930 | - | - | - | - | - | - | - | - |
| Finance Management | | 1 600 | 1 625 | 1 700 | 1 770 | 1 770 | 1 770 | 2 235 | 2 667 | 2 931 |
| Municipal Infrastructure Grant | | 6 000 | - | - | - | - | - | - | - | - |
| Provincial Government: | | 400 | 1 000 | 1 000 | - | 916 | 916 | - | - | - |
| Library Grant | | 400 | 1 000 | 1 000 | - | 916 | 916 | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| Total operating expenditure of Transfers and Grants: | | 462 393 | 507 218 | 572 733 | 627 887 | 628 803 | 628 803 | 699 244 | 772 980 | 857 859 |
| <u>Capital expenditure of Transfers and Grants</u> | | | | | | | | | | |
| National Government: | | 284 461 | 260 211 | 301 005 | 285 258 | 285 258 | 285 258 | 281 797 | 317 703 | 342 794 |
| Municipal Infrastructure Grant (MIG) | | 248 461 | 248 907 | 287 005 | 285 258 | 285 258 | 285 258 | 281 797 | 317 703 | 342 794 |
| Integrated National Electrification Programme | | 21 000 | 11 304 | 14 000 | - | - | - | | | |
| Department Of Water Affairs | | 15 000 | - | - | - | - | - | | | |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| Total capital expenditure of Transfers and Grants | | 284 461 | 260 211 | 301 005 | 285 258 | 285 258 | 285 258 | 281 797 | 317 703 | 342 794 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 746 854 | 767 429 | 873 738 | 913 145 | 914 061 | 914 061 | 981 041 | 1 090 683 | 1 200 653 |

Table 41 MBRR SA 20 - Reconciliation between of transfers, grant receipts and unspent funds

| Description R thousand | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <u>Operating transfers and grants:</u> | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | - | - | - | - | - | - | - | - | - |
| Current year receipts | | 437 744 | 505 007 | 779 815 | 627 887 | 627 887 | 627 887 | 699 244 | 772 980 | 857 859 |
| Conditions met - transferred to revenue | | 437 744 | 505 007 | 779 815 | 627 887 | 627 887 | 627 887 | 699 244 | 772 980 | 857 859 |
| Conditions still to be met - transferred to liabilities | | - | - | - | - | - | - | - | - | - |
| Provincial Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 3 384 | 361 | - | - | - | - | - | - | - |
| Current year receipts | | 1 300 | 1 000 | 1 000 | - | 916 | 916 | - | - | - |
| Conditions met - transferred to revenue | | 4 684 | 1 000 | 673 | - | 916 | 916 | - | - | - |
| Conditions still to be met - transferred to liabilities | | - | 361 | 327 | - | - | - | - | - | - |
| District Municipality: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | | | | | | | | | |
| Conditions met - transferred to revenue | | | | | | | | | | |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Other grant providers: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | | | | | | | | | |
| Conditions met - transferred to revenue | | | | | | | | | | |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Total operating transfers and grants revenue | | 442 428 | 506 007 | 780 488 | 627 887 | 628 803 | 628 803 | 699 244 | 772 980 | 857 859 |
| Total operating transfers and grants - CTBM | 2 | - | 361 | 327 | - | - | - | - | - | - |
| <u>Capital transfers and grants:</u> | 1,3 | | | | | | | | | |
| National Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | 3 102 | - | - | - | - | - | - | - | - |
| Current year receipts | | 278 882 | 260 211 | 301 005 | 285 258 | 285 258 | 285 258 | 281 797 | 317 703 | 342 794 |
| Conditions met - transferred to revenue | | 281 983 | 260 211 | 301 666 | 285 258 | 285 258 | 285 258 | 281 797 | 317 703 | 342 794 |
| Conditions still to be met - transferred to liabilities | | - | - | (661) | - | - | - | - | - | - |
| Provincial Government: | | | | | | | | | | |
| Balance unspent at beginning of the year | | - | - | - | - | - | - | - | - | - |
| Current year receipts | | - | - | - | - | - | - | - | - | - |
| Conditions met - transferred to revenue | | 1 221 | (28 110) | (114 698) | - | - | - | - | - | - |
| Conditions still to be met - transferred to liabilities | | (1 221) | 28 110 | 114 698 | - | - | - | - | - | - |
| District Municipality: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | | | | | | | | | |
| Conditions met - transferred to revenue | | | | | | | | | | |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Other grant providers: | | | | | | | | | | |
| Balance unspent at beginning of the year | | | | | | | | | | |
| Current year receipts | | | | | | | | | | |
| Conditions met - transferred to revenue | | | | | | | | | | |
| Conditions still to be met - transferred to liabilities | | | | | | | | | | |
| Total capital transfers and grants revenue | | 283 205 | 232 101 | 186 967 | 285 258 | 285 258 | 285 258 | 281 797 | 317 703 | 342 794 |
| Total capital transfers and grants - CTBM | 2 | (1 221) | 28 110 | 114 038 | - | - | - | - | - | - |
| TOTAL TRANSFERS AND GRANTS REVENUE | | 725 633 | 738 108 | 967 455 | 913 145 | 914 061 | 914 061 | 981 041 | 1 090 683 | 1 200 653 |
| TOTAL TRANSFERS AND GRANTS - CTBM | | (1 221) | 28 471 | 114 364 | - | - | - | - | - | - |

2.8 Councillor and employee benefits

Table 42 MBRR SA22 - Summary of councillor and staff benefits

| Summary of Employee and Councillor remuneration R thousand | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <u>Councillors (Political Office Bearers plus Other)</u> | 1 | A | B | C | D | E | F | G | H | I |
| Basic Salaries and Wages | | 14 058 | 14 672 | - | - | - | - | - | - | - |
| Pension and UIF Contributions | | 1 839 | 2 215 | 1 541 | 1 572 | 1 572 | 1 572 | 1 762 | 1 857 | 1 957 |
| Medical Aid Contributions | | 773 | 871 | 1 351 | 1 364 | 1 364 | 1 364 | 1 539 | 1 622 | 1 710 |
| Motor Vehicle Allowance | | 5 556 | 6 047 | - | - | - | - | - | - | - |
| Cellphone Allowance | | 1 501 | 1 651 | 3 471 | 2 258 | 2 258 | 2 258 | 3 471 | 3 659 | 3 856 |
| Housing Allowances | | - | - | - | - | - | - | - | - | - |
| Other benefits and allowances | | - | - | 24 168 | 27 176 | 27 176 | 27 176 | 26 469 | 27 898 | 29 405 |
| Sub Total - Councillors | | 23 727 | 25 456 | 30 531 | 32 370 | 32 370 | 32 370 | 33 242 | 35 037 | 36 929 |
| % increase | 4 | | 7.3% | 19.9% | 6.0% | - | - | 2.7% | 5.4% | 5.4% |
| <u>Senior Managers of the Municipality</u> | 2 | | | | | | | | | |
| Basic Salaries and Wages | | 6 969 | 7 241 | 4 001 | 7 790 | 7 790 | 7 790 | 5 706 | 6 085 | 6 414 |
| Pension and UIF Contributions | | 960 | 447 | 533 | 813 | 813 | 813 | 776 | 828 | 872 |
| Medical Aid Contributions | | 443 | 401 | 154 | 276 | 276 | 276 | 191 | 204 | 215 |
| Overtime | | - | - | - | 2 | 2 | 2 | - | - | - |
| Performance Bonus | | - | - | 68 | 45 | 45 | 45 | - | - | - |
| Motor Vehicle Allowance | 3 | 56 | 63 | 684 | 660 | 660 | 660 | 1 031 | 1 099 | 1 159 |
| Cellphone Allowance | 3 | 74 | 76 | 55 | 148 | 148 | 148 | 79 | 84 | 88 |
| Housing Allowances | 3 | 2 682 | 3 423 | 8 | 428 | 428 | 428 | 5 | 5 | 5 |
| Other benefits and allowances | 3 | - | - | 429 | 522 | 522 | 522 | 645 | 688 | 725 |
| Payments in lieu of leave | | - | - | 10 | - | - | - | 354 | 377 | 398 |
| Long service awards | | | | 758 | 0 | 0 | 0 | - | - | - |
| Post-retirement benefit obligations | 6 | - | - | (4 672) | - | - | - | - | - | - |
| Sub Total - Senior Managers of Municipality | | 11 184 | 11 651 | 2 028 | 10 684 | 10 684 | 10 684 | 8 786 | 9 370 | 9 876 |
| % increase | 4 | | 4.2% | (82.6%) | 426.9% | - | - | (17.8%) | 6.7% | 5.4% |
| <u>Other Municipal Staff</u> | | | | | | | | | | |
| Basic Salaries and Wages | | 176 204 | 189 301 | 235 977 | 221 908 | 231 377 | 231 377 | 284 277 | 303 181 | 319 553 |
| Pension and UIF Contributions | | 56 274 | 63 724 | 49 018 | 49 435 | 49 435 | 49 435 | 59 375 | 63 324 | 66 743 |
| Medical Aid Contributions | | 26 743 | 29 545 | 26 634 | 26 702 | 26 702 | 26 702 | 29 651 | 31 623 | 33 330 |
| Overtime | | 36 047 | 40 252 | 38 829 | 15 877 | 15 877 | 15 877 | 17 793 | 16 378 | 15 999 |
| Performance Bonus | | - | - | 17 518 | 19 986 | 19 986 | 19 986 | 24 081 | 25 682 | 27 069 |
| Motor Vehicle Allowance | 3 | 18 620 | 19 554 | 24 327 | 24 031 | 24 031 | 24 031 | 26 107 | 27 843 | 29 346 |
| Cellphone Allowance | 3 | 1 625 | 2 970 | 220 | 219 | 219 | 219 | 310 | 331 | 349 |
| Housing Allowances | 3 | 1 311 | 1 427 | 2 083 | 2 169 | 2 169 | 2 169 | 2 407 | 2 567 | 2 705 |
| Other benefits and allowances | 3 | 26 441 | 32 661 | 7 201 | 8 440 | 9 275 | 9 275 | 4 370 | 4 661 | 4 913 |
| Payments in lieu of leave | | 4 393 | 1 216 | 10 521 | 11 508 | 11 508 | 11 508 | 12 843 | 13 698 | 14 437 |
| Long service awards | | - | - | | | | | | | |
| Post-retirement benefit obligations | 6 | - | - | | | | | | | |
| Sub Total - Other Municipal Staff | | 347 660 | 380 650 | 412 328 | 380 276 | 390 579 | 390 579 | 461 214 | 489 286 | 514 444 |
| % increase | 4 | | 9.5% | 8.3% | (7.8%) | 2.7% | - | 18.1% | 6.1% | 5.1% |
| Total Parent Municipality | | 382 571 | 417 757 | 444 888 | 423 330 | 433 634 | 433 634 | 503 242 | 533 693 | 561 249 |
| | | | | 9.2% | 6.5% | (4.8%) | 2.4% | - | 16.1% | 6.1% |
| Total Municipal Entities | | - | - | - | - | - | - | - | - | - |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | 382 571 | 417 757 | 444 888 | 423 330 | 433 634 | 433 634 | 503 242 | 533 693 | 561 249 |
| % increase | 4 | | 9.2% | 6.5% | (4.8%) | 2.4% | - | 16.1% | 6.1% | 5.2% |
| TOTAL MANAGERS AND STAFF | 5.7 | 358 844 | 392 302 | 414 356 | 390 960 | 401 264 | 401 264 | 470 000 | 498 656 | 524 321 |

Table 43 MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)

| Disclosure of Salaries, Allowances & Benefits 1. | Ref | No. | Salary | Contributions | Allowances | Performance Bonuses | In-kind benefits | Total Package |
|----------------------------------------------------------------------|------|-----|--------------|---------------|------------|---------------------|------------------|---------------|
| Rand per annum | | | 1. | | | | | 2. |
| <u>Councillors</u> | 3 | | | | | | | |
| Speaker | 4 | 1 | 316 072 | 106 285 | 316 072 | | | 738 429 |
| Chief Whip | | 1 | 297 823.50 | 99 317 | 297 824 | | | 694 964 |
| Executive Mayor | | 1 | 361 357 | 189 595 | 361 357 | | | 912 309 |
| Deputy Executive Mayor | | - | - | - | - | | | - |
| Executive Committee | | 10 | 3 320 391.50 | 984 681 | 3 320 392 | | | 7 625 464 |
| Total for all other councillors | | 68 | 10 674 568 | 1 921 337 | 10 674 568 | | | 23 270 473 |
| Total Councillors | 8 | 81 | 14 970 212 | 3 301 215 | 14 970 212 | | | 33 241 639 |
| <u>Senior Managers of the Municipality</u> | 5 | | | | | | | |
| Municipal Manager (MM) | | 1 | 1 200 000 | 127 263 | 150 233 | - | | 1 477 496 |
| Chief Finance Officer | | 1 | 903 235 | 229 225 | 244 903 | - | | 1 377 363 |
| Director Infrastructure Technical Services | | 1 | 903 235 | 229 225 | 244 903 | - | | 1 377 363 |
| Director Corporate Support Services | | 1 | 903 235 | 229 225 | 244 903 | - | | 1 377 363 |
| Director Human Settlement Planning | | 1 | 903 235 | 229 225 | 244 903 | - | | 1 377 363 |
| Director Community Services | | 1 | 903 235 | 229 225 | 244 903 | - | | 1 377 363 |
| Director Public Safety & Social Services | | 1 | 903 235 | 229 225 | 244 903 | - | | 1 377 363 |
| Director Economic Development Tourism & Agriculture | | 1 | 903 235 | 229 225 | 244 903 | - | | 1 377 363 |
| Chief Audit Executive | | 1 | 903 235 | 229 225 | 244 903 | - | | 1 377 363 |
| Total Senior Managers of the Municipality | 8,10 | 9 | 8 425 880 | 1 961 063 | 2 109 457 | - | | 12 496 400 |
| TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION | 10 | 90 | 23 396 092 | 5 262 278 | 17 079 669 | - | | 45 738 039 |

Table 44 MBRR SA24 – Summary of personnel numbers

| Number | Ref | 2017/18 | | | Current Year 2018/19 | | | Budget Year 2019/20 | | |
|---------------------------------------------------------------|----------|------------------|------------------------|-----------------------|----------------------|------------------------|-----------------------|---------------------|------------------------|-----------------------|
| | | 1,2 Positions | Permanent employees | Contract employees | Positions | Permanent employees | Contract employees | Positions | Permanent employees | Contract employees |
| Municipal Council and Boards of Municipal Entities | | | | | | | | | | |
| Councillors (Political Office Bearers plus Other Councillors) | | 81 | 81 | - | 81 | 81 | - | 81 | 81 | - |
| Board Members of municipal entities | 4 | | | | | | | | | |
| Municipal employees | 5 | | | | | | | | | |
| Municipal Manager and Senior Managers | 3 | 10 | 10 | - | 10 | 10 | - | 10 | 10 | - |
| Other Managers | 7 | | | | | | | | | |
| Professionals | | 40 | 40 | 10 | 50 | 40 | 13 | 60 | 55 | 25 |
| Finance | | 40 | 40 | 10 | 50 | 40 | 13 | 60 | 55 | 25 |
| Spatial/town planning | | | | | | | | | | |
| Information Technology | | | | | | | | | | |
| Roads | | | | | | | | | | |
| Electricity | | | | | | | | | | |
| Water | | | | | | | | | | |
| Sanitation | | | | | | | | | | |
| Refuse | | | | | | | | | | |
| Other | | | | | | | | | | |
| Technicians | | 1 350 | 651 | - | 1 458 | 651 | - | 1 458 | 651 | - |
| Finance | | 50 | 50 | - | 58 | 50 | - | 58 | 50 | - |
| Spatial/town planning | | | | | | | | | | |
| Information Technology | | | | | | | | | | |
| Roads | | | | | | | | | | |
| Electricity | | | | | | | | | | |
| Water | | | | | | | | | | |
| Sanitation | | | | | | | | | | |
| Refuse | | | | | | | | | | |
| Other | | | | | | | | | | |
| Clerks (Clerical and administrative) | | 301 | 301 | - | 301 | 301 | - | 301 | 301 | - |
| Service and sales workers | | | | | | | | | | |
| Skilled agricultural and fishery workers | | | | | | | | | | |
| Craft and related trades | | | | | | | | | | |
| Plant and Machine Operators | | 30 | 21 | - | 30 | 21 | - | 30 | 21 | - |
| Elementary Occupations | | | | | | | | | | |
| TOTAL PERSONNEL NUMBERS | 9 | 1 812 | 1 104 | 10 | 1 930 | 1 104 | 13 | 1 940 | 1 119 | 25 |
| % increase | | | | | 6.5% | - | 30.0% | 0.5% | 1.4% | 92.3% |
| Total municipal employees headcount | 6, 10 | 1 731 | 1 023 | 10 | 1 930 | 1 104 | 13 | 1 970 | 1 230 | 25 |
| Finance personnel headcount | 8, 10 | | | | | | | | | |
| Human Resources personnel headcount | 8, 10 | | | | | | | | | |

2.9 Monthly targets for revenue, expenditure and cash flow

Table 45 MBRR SA25 - Budgeted monthly revenue and expenditure

| Description R thousand | Ref | Budget Year 2019/20 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------------------|----------|-----------|-----------|-----------|----------|-----------|-----------|---------|-----------|-----------|-----------|-----------------------------------------------|------------------------|------------------------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <u>Revenue By Source</u> | | | | | | | | | | | | | | | | |
| Property rates | | 22 500 | 22 500 | 22 500 | 22 500 | 22 500 | 22 500 | 22 500 | 22 500 | 22 500 | 22 500 | 22 500 | 22 500 | 270 000 | 285 000 | 300 390 |
| Service charges - electricity revenue | | 39 583 | 39 583 | 39 583 | 39 583 | 39 583 | 39 583 | 39 583 | 39 583 | 39 583 | 39 583 | 39 583 | 39 583 | 475 000 | 500 650 | 527 627 |
| Service charges - water revenue | | 13 467 | 13 467 | 13 467 | 13 467 | 13 467 | 13 467 | 13 467 | 13 467 | 13 467 | 13 467 | 13 467 | 13 467 | 161 600 | 170 254 | 179 411 |
| Service charges - sanitation revenue | | 4 356 | 4 356 | 4 356 | 4 356 | 4 356 | 4 356 | 4 356 | 4 356 | 4 356 | 4 356 | 4 356 | 4 356 | 52 275 | 55 097 | 58 072 |
| Service charges - refuse revenue | | 4 417 | 4 417 | 4 417 | 4 417 | 4 417 | 4 417 | 4 417 | 4 417 | 4 417 | 4 417 | 4 417 | 4 417 | 53 000 | 55 862 | 58 878 |
| Rental of facilities and equipment | | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 1 386 | 1 461 | 1 540 |
| Interest earned - external investments | | 561 | 561 | 561 | 561 | 561 | 561 | 561 | 561 | 561 | 561 | 561 | 561 | 6 732 | 7 090 | 7 470 |
| Interest earned - outstanding debtors | | 7 593 | 7 593 | 7 593 | 7 593 | 7 593 | 7 593 | 7 593 | 7 593 | 7 593 | 7 593 | 7 593 | 7 593 | 91 112 | 96 032 | 101 216 |
| Dividends received | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 1 001 | 1 055 | 1 112 |
| Licences and permits | | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 2 127 | 2 241 | 2 362 |
| Agency services | | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 12 000 | 12 648 | 13 000 |
| Transfers and subsidies | | 251 380 | 81 753 | 2 235 | - | - | 192 121 | - | - | 171 755 | - | - | - | 699 244 | 772 980 | 857 859 |
| Other revenue | | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 3 579 | 3 762 | 3 960 |
| Gains on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | | 345 531 | 175 904 | 96 386 | 94 151 | 94 151 | 286 272 | 94 151 | 94 151 | 265 906 | 94 151 | 94 151 | 94 151 | 1 829 055 | 1 964 132 | 2 112 897 |
| <u>Expenditure By Type</u> | | | | | | | | | | | | | | | | |
| Employee related costs | | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 470 000 | 498 656 | 524 321 |
| Remuneration of councillors | | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 33 242 | 35 037 | 36 929 |
| Debt impairment | | 22 917 | 22 917 | 22 917 | 22 917 | 22 917 | 22 917 | 22 917 | 22 917 | 22 917 | 22 917 | 22 917 | 22 917 | 275 000 | 235 000 | 190 000 |
| Depreciation & asset impairment | | 40 833 | 40 833 | 40 833 | 40 833 | 40 833 | 40 833 | 40 833 | 40 833 | 40 833 | 40 833 | 40 833 | 40 833 | 490 000 | 516 460 | 544 349 |
| Finance charges | | 11 708 | 11 708 | 11 708 | 11 708 | 11 708 | 11 708 | 11 708 | 11 708 | 11 708 | 11 708 | 11 708 | 11 708 | 140 501 | 148 088 | 156 085 |
| Bulk purchases | | 46 667 | 46 667 | 46 667 | 46 667 | 46 667 | 46 667 | 46 667 | 46 667 | 46 667 | 46 667 | 46 667 | 46 667 | 560 000 | 590 240 | 622 113 |
| Other materials | | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 26 320 | 27 741 | 29 239 |
| Contracted services | | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 235 075 | 243 959 | 254 485 |
| Transfers and subsidies | | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 4 500 | 4 600 | 4 700 |
| Other expenditure | | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 189 101 | 199 312 | 210 075 |
| Loss on disposal of PPE | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 2 423 738 | 2 499 093 | 2 572 295 |
| Surplus/(Deficit) | | 143 553 | (26 074) | (105 592) | (107 827) | (107 827) | 84 294 | (107 827) | (107 827) | 63 927 | (107 827) | (107 827) | (107 827) | (594 683) | (534 962) | (459 397) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and Districtal allocations) (National / Provincial Departmental Transfers and subsidies - capital (in-kind - all)) | | 169 121 | - | - | - | - | 65 990 | - | - | 46 666 | - | - | - | 281 797 | 317 703 | 342 794 |
| Surplus/(Deficit) after capital transfers & contributions | | 312 674 | (26 074) | (105 592) | (107 827) | (107 827) | 150 284 | (107 827) | (107 827) | 110 613 | (107 827) | (107 827) | (107 827) | (312 886) | (217 259) | (116 603) |
| Taxation | | | | | | | | | | | | | | - | - | - |
| Attributable to minorities | | | | | | | | | | | | | | - | - | - |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | | | - | - | - |
| Surplus/(Deficit) | 1 | 312 674 | (26 074) | (105 592) | (107 827) | (107 827) | 150 284 | (107 827) | (107 827) | 110 613 | (107 827) | (107 827) | (107 827) | (312 886) | (217 259) | (116 603) |

Table 46 MBRR SA26 - Budgeted monthly revenue and expenditure (municipal vote)

| Description | Ref | Budget Year 2019/20 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | |
|----------------------------------------------------------|-----|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------------------------------------------|---------------------|------------------------|------------------------|
| | | R thousand | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <u>Revenue by Vote</u> | | | | | | | | | | | | | | | | | |
| Vote 01 - Executive Council | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 02 - Municipal Manager | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 03 - Chief Operating Officer | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 04 - Corporate Support Services | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 05 - Budget And Treasury Office | | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 366 569 | 1 299 060 | 1 427 767 | 1 555 936 | |
| Vote 06 - Infrastructure And Technical Services | | 84 424 | 84 424 | 84 424 | 84 424 | 84 424 | 84 424 | 84 424 | 84 424 | 84 424 | 84 424 | 84 424 | (197 372) | 731 297 | 770 714 | 812 237 | |
| Vote 07 - Community Services | | 5 095 | 5 095 | 5 095 | 5 095 | 5 095 | 5 095 | 5 095 | 5 095 | 5 095 | 5 095 | 5 095 | 5 095 | 61 139 | 64 440 | 67 919 | |
| Vote 08 - Human Settlement | | 229 | 229 | 229 | 229 | 229 | 229 | 229 | 229 | 229 | 229 | 229 | 229 | 2743 | 2 881 | 3 032 | |
| Vote 09 - Economic Dev,Tourism & Agriculture | | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 127 | 1 530 | 133 | 141 | |
| Vote 10 - Public Safety, Fleet And Facilities Management | | 1 257 | 1 257 | 1 257 | 1 257 | 1 257 | 1 257 | 1 257 | 1 257 | 1 257 | 1 257 | 1 257 | 1 257 | 15 084 | 15 899 | 16 426 | |
| Vote 11 - Internal Audit | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Vote 12 - Risk Management | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Revenue by Vote | | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 2 110 852 | 2 281 835 | 2 455 691 | | |
| <u>Expenditure by Vote to be appropriated</u> | | | | | | | | | | | | | | | | | |
| Vote 01 - Executive Council | | 5 725 | 5 725 | 5 725 | 5 725 | 5 725 | 5 725 | 5 725 | 5 725 | 5 725 | 5 725 | 5 725 | 68 700 | 72 680 | 76 605 | | |
| Vote 02 - Municipal Manager | | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 348 | 4 173 | 4 424 | 4 662 | | |
| Vote 03 - Chief Operating Officer | | 1 959 | 1 959 | 1 959 | 1 959 | 1 959 | 1 959 | 1 959 | 1 959 | 1 959 | 1 959 | 1 959 | 23 505 | 25 012 | 26 363 | | |
| Vote 04 - Corporate Support Services | | 6 694 | 6 694 | 6 694 | 6 694 | 6 694 | 6 694 | 6 694 | 6 694 | 6 694 | 6 694 | 6 694 | 80 326 | 84 775 | 89 204 | | |
| Vote 05 - Budget And Treasury Office | | 84 867 | 84 867 | 84 867 | 84 867 | 84 867 | 84 867 | 84 867 | 84 867 | 84 867 | 84 867 | 84 867 | 1 018 405 | 1 019 337 | 1 016 691 | | |
| Vote 06 - Infrastructure And Technical Services | | 67 270 | 67 270 | 67 270 | 67 270 | 67 270 | 67 270 | 67 270 | 67 270 | 67 270 | 67 270 | 67 270 | 807 244 | 849 579 | 894 393 | | |
| Vote 07 - Community Services | | 10 791 | 10 791 | 10 791 | 10 791 | 10 791 | 10 791 | 10 791 | 10 791 | 10 791 | 10 791 | 10 791 | 10 790 | 129 487 | 133 834 | 138 214 | |
| Vote 08 - Human Settlement | | 2 351 | 2 351 | 2 351 | 2 351 | 2 351 | 2 351 | 2 351 | 2 351 | 2 351 | 2 351 | 2 351 | 2 351 | 28 217 | 30 054 | 31 677 | |
| Vote 09 - Economic Dev,Tourism & Agriculture | | 1 198 | 1 198 | 1 198 | 1 198 | 1 198 | 1 198 | 1 198 | 1 198 | 1 198 | 1 198 | 1 198 | 1 198 | 14 373 | 15 289 | 16 114 | |
| Vote 10 - Public Safety, Fleet And Facilities Management | | 19 938 | 19 938 | 19 938 | 19 938 | 19 938 | 19 938 | 19 938 | 19 938 | 19 938 | 19 938 | 19 938 | 19 938 | 239 262 | 253 415 | 267 099 | |
| Vote 11 - Internal Audit | | 827 | 827 | 827 | 827 | 827 | 827 | 827 | 827 | 827 | 827 | 827 | 827 | 9 920 | 10 561 | 11 132 | |
| Vote 12 - Risk Management | | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 126 | 133 | 140 | |
| Total Expenditure by Vote | | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 2 423 738 | 2 499 093 | 2 572 295 | | |
| Surplus/(Deficit) before assoc. | | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 073) | (312 886) | (217 259) | (116 603) | |
| Taxation | | | | | | | | | | | | | - | - | - | - | |
| Attributable to minorities | | | | | | | | | | | | | - | - | - | - | |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | | - | - | - | - | |
| Surplus/(Deficit) | 1 | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 073) | (312 886) | (217 259) | (116 603) | |

Table 47 MBRR SA27 - Budgeted monthly revenue and expenditure (standard classification)

| Description R thousand | Ref | Budget Year 2019/20 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|------------------------------------------|-----|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------------------------------------|---------------------------|---------------------------|
| | | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Revenue - Functional | | | | | | | | | | | | | | | | |
| Governance and administration | | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 1 017 263 | 1 110 064 | 1 213 142 |
| Executive and council | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Finance and administration | | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 84 772 | 1 017 263 | 1 110 064 | 1 213 142 |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 196 | 2 353 | 2 480 | 2 614 |
| Community and social services | | 108 | 108 | 108 | 108 | 108 | 108 | 108 | 108 | 108 | 108 | 108 | 108 | 1 292 | 1 362 | 1 436 |
| Sport and recreation | | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 60 | 63 | 66 |
| Public safety | | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 1 001 | 1 055 | 1 112 |
| Housing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 25 006 | 25 006 | 25 006 | 25 006 | 25 006 | 25 006 | 25 006 | 25 006 | 25 006 | 25 006 | 25 006 | 25 006 | 300 070 | 335 474 | 361 188 |
| Planning and development | | 23 839 | 23 839 | 23 839 | 23 839 | 23 839 | 23 839 | 23 839 | 23 839 | 23 839 | 23 839 | 23 839 | 23 839 | 286 070 | 320 718 | 345 967 |
| Road transport | | 1 167 | 1 167 | 1 167 | 1 167 | 1 167 | 1 167 | 1 167 | 1 167 | 1 167 | 1 167 | 1 167 | 1 167 | 14 000 | 14 756 | 15 222 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Trading services | | 65 924 | 65 924 | 65 924 | 65 924 | 65 924 | 65 924 | 65 924 | 65 924 | 65 924 | 65 924 | 65 924 | 65 924 | 791 084 | 833 729 | 878 654 |
| Energy sources | | 40 622 | 40 622 | 40 622 | 40 622 | 40 622 | 40 622 | 40 622 | 40 622 | 40 622 | 40 622 | 40 622 | 40 622 | 487 467 | 513 791 | 541 477 |
| Water management | | 15 328 | 15 328 | 15 328 | 15 328 | 15 328 | 15 328 | 15 328 | 15 328 | 15 328 | 15 328 | 15 328 | 15 328 | 183 938 | 193 799 | 204 227 |
| Waste water management | | 4 991 | 4 991 | 4 991 | 4 991 | 4 991 | 4 991 | 4 991 | 4 991 | 4 991 | 4 991 | 4 991 | 4 991 | 59 891 | 63 124 | 66 533 |
| Waste management | | 4 982 | 4 982 | 4 982 | 4 982 | 4 982 | 4 982 | 4 982 | 4 982 | 4 982 | 4 982 | 4 982 | 4 982 | 59 787 | 63 015 | 66 417 |
| Other | | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 83 | 87 | 92 |
| Total Revenue - Functional | | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 175 904 | 2 110 852 | 2 281 835 | 2 455 691 |
| Expenditure - Functional | | | | | | | | | | | | | | | | |
| Governance and administration | | 112 835 | 112 835 | 112 835 | 112 835 | 112 835 | 112 835 | 112 835 | 112 835 | 112 835 | 112 835 | 112 835 | 112 835 | 1 354 025 | 1 373 970 | 1 390 326 |
| Executive and council | | 7 502 | 7 502 | 7 502 | 7 502 | 7 502 | 7 502 | 7 502 | 7 502 | 7 502 | 7 502 | 7 502 | 7 502 | 90 029 | 95 388 | 100 539 |
| Finance and administration | | 104 506 | 104 506 | 104 506 | 104 506 | 104 506 | 104 506 | 104 506 | 104 506 | 104 506 | 104 506 | 104 506 | 104 506 | 1 254 076 | 1 268 021 | 1 278 656 |
| Internal audit | | 827 | 827 | 827 | 827 | 827 | 827 | 827 | 827 | 827 | 827 | 827 | 827 | 9 920 | 10 561 | 11 132 |
| Community and public safety | | 11 485 | 11 485 | 11 485 | 11 485 | 11 485 | 11 485 | 11 485 | 11 485 | 11 485 | 11 485 | 11 485 | 11 485 | 137 815 | 146 788 | 154 714 |
| Community and social services | | 2 405 | 2 405 | 2 405 | 2 405 | 2 405 | 2 405 | 2 405 | 2 405 | 2 405 | 2 405 | 2 405 | 2 405 | 28 862 | 30 671 | 32 327 |
| Sport and recreation | | 1 865 | 1 865 | 1 865 | 1 865 | 1 865 | 1 865 | 1 865 | 1 865 | 1 865 | 1 865 | 1 865 | 1 865 | 22 382 | 23 823 | 25 110 |
| Public safety | | 6 196 | 6 196 | 6 196 | 6 196 | 6 196 | 6 196 | 6 196 | 6 196 | 6 196 | 6 196 | 6 196 | 6 196 | 74 357 | 79 274 | 83 555 |
| Housing | | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 411 | 4 937 | 5 260 | 5 544 |
| Health | | 606 | 606 | 606 | 606 | 606 | 606 | 606 | 606 | 606 | 606 | 606 | 606 | 7 277 | 7 759 | 8 178 |
| Economic and environmental services | | 9 159 | 9 159 | 9 159 | 9 159 | 9 159 | 9 159 | 9 159 | 9 159 | 9 159 | 9 159 | 9 159 | 9 159 | 109 910 | 116 819 | 123 128 |
| Planning and development | | 3 764 | 3 764 | 3 764 | 3 764 | 3 764 | 3 764 | 3 764 | 3 764 | 3 764 | 3 764 | 3 764 | 3 764 | 45 165 | 48 096 | 50 693 |
| Road transport | | 5 335 | 5 335 | 5 335 | 5 335 | 5 335 | 5 335 | 5 335 | 5 335 | 5 335 | 5 335 | 5 335 | 5 335 | 64 023 | 67 953 | 71 622 |
| Environmental protection | | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 60 | 722 | 770 | 812 |
| Trading services | | 68 249 | 68 249 | 68 249 | 68 249 | 68 249 | 68 249 | 68 249 | 68 249 | 68 249 | 68 249 | 68 249 | 68 249 | 818 994 | 858 333 | 900 771 |
| Energy sources | | 41 793 | 41 793 | 41 793 | 41 793 | 41 793 | 41 793 | 41 793 | 41 793 | 41 793 | 41 793 | 41 793 | 41 793 | 501 522 | 528 256 | 556 701 |
| Water management | | 18 779 | 18 779 | 18 779 | 18 779 | 18 779 | 18 779 | 18 779 | 18 779 | 18 779 | 18 779 | 18 779 | 18 779 | 225 344 | 236 691 | 248 570 |
| Waste water management | | 2 928 | 2 928 | 2 928 | 2 928 | 2 928 | 2 928 | 2 928 | 2 928 | 2 928 | 2 928 | 2 928 | 2 928 | 35 140 | 36 685 | 38 585 |
| Waste management | | 4 749 | 4 749 | 4 749 | 4 749 | 4 749 | 4 749 | 4 749 | 4 749 | 4 749 | 4 749 | 4 749 | 4 749 | 56 988 | 56 701 | 56 915 |
| Other | | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 249 | 2 994 | 3 183 | 3 355 |
| Total Expenditure - Functional | | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 201 978 | 2 423 738 | 2 499 093 | 2 572 295 |
| Surplus/(Deficit) before assoc. | | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (312 886) | (217 259) | (116 603) |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | | | | - | - | - |
| Surplus/(Deficit) | 1 | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (26 074) | (312 886) | (217 259) | (116 603) |

Table 48 MBRR SA28 - Budgeted monthly capital expenditure (municipal vote)

| Description R thousand | Ref | Budget Year 2019/20 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|----------------------------------------------------------|-----|---------------------|--------|--------|---------|--------|--------|---------|--------|--------|--------|--------|--------|-----------------------------------------------|---------------------------|---------------------------|
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <u>Single-year expenditure to be appropriated</u> | | | | | | | | | | | | | | | | |
| Vote 01 - Executive Council | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 02 - Municipal Manager | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 03 - Chief Operating Officer | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 04 - Corporate Support Services | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 05 - Budget And Treasury Office | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 06 - Infrastructure And Technical Services | | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 281 797 | 317 703 | 342 794 |
| Vote 07 - Community Services | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 08 - Human Settlement | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 09 - Economic Dev, Tourism & Agriculture | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 10 - Public Safety, Fleet And Facilities Management | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 11 - Internal Audit | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 12 - Risk Management | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 13 - [Name Of Vote 13] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 14 - [Name Of Vote 14] | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Vote 15 - Other | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital single-year expenditure sub-total | 2 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 281 797 | 317 703 | 342 794 |
| Total Capital Expenditure | 2 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 281 797 | 317 703 | 342 794 |

Table 49 MBRR SA29 - Budgeted monthly capital expenditure (standard classification)

| Description R thousand | Ref | Budget Year 2019/20 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | |
|--------------------------------------------|-----|---------------------|--------|--------|---------|--------|--------|---------|--------|--------|--------|--------|--------|-----------------------------------------------|------------------------|------------------------|
| | | July | August | Sept. | October | Nov. | Dec. | January | Feb. | March | April | May | June | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| <u>Capital Expenditure - Functional</u> | 1 | | | | | | | | | | | | | | | |
| <i>Governance and administration</i> | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Executive and council | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Finance and administration | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Internal audit | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| <i>Community and public safety</i> | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Community and social services | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sport and recreation | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Public safety | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 77 000 | 88 000 | 84 000 |
| Planning and development | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Road transport | | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 6 417 | 77 000 | 88 000 | 84 000 |
| Environmental protection | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| <i>Trading services</i> | | 17 066 | 17 066 | 17 066 | 17 066 | 17 066 | 17 066 | 17 066 | 17 066 | 17 066 | 17 066 | 17 066 | 17 066 | 204 797 | 229 703 | 258 794 |
| Energy sources | | 1 399 | 1 399 | 1 399 | 1 399 | 1 399 | 1 399 | 1 399 | 1 399 | 1 399 | 1 399 | 1 399 | 1 399 | 16 787 | 36 703 | 38 794 |
| Water management | | 11 250 | 11 250 | 11 250 | 11 250 | 11 250 | 11 250 | 11 250 | 11 250 | 11 250 | 11 250 | 11 250 | 11 250 | 135 000 | 120 000 | 142 000 |
| Waste water management | | 4 418 | 4 418 | 4 418 | 4 418 | 4 418 | 4 418 | 4 418 | 4 418 | 4 418 | 4 418 | 4 418 | 4 418 | 53 010 | 73 000 | 78 000 |
| Waste management | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| <i>Other</i> | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional | 2 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 281 797 | 317 703 | 342 794 |
| <i>Funded by:</i> | | | | | | | | | | | | | | | | |
| National Government | | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 281 797 | 317 703 | 342 794 |
| Provincial Government | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| District Municipality | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other transfers and grants | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 281 797 | 317 703 | 342 794 |
| Borrowing | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Internally generated funds | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Capital Funding | | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 281 797 | 317 703 | 342 794 |

Table 50 MBRR SA30 - Budgeted monthly cash flow

| MONTHLY CASH FLOWS R thousand | Budget Year 2019/20 | | | | | | | | | | | | Medium Term Revenue and Expenditure Framework | | | |
|---------------------------------------------------------------------------------------------------------------------|---------------------|----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------------------------------------|------------------------|------------------------|---------|
| | July | August | Sept. | October | November | December | January | February | March | April | May | June | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | |
| Cash Receipts By Source | | | | | | | | | | | | | | | | |
| Property rates | 17 292 | 17 292 | 17 292 | 17 292 | 17 292 | 17 292 | 17 292 | 17 292 | 17 292 | 17 292 | 17 292 | 17 292 | 1 | 207 500 | 223 750 | 230 293 |
| Service charges - electricity revenue | 31 354 | 31 354 | 31 354 | 31 354 | 31 354 | 31 354 | 31 354 | 31 354 | 31 354 | 31 354 | 31 354 | 31 354 | 376 250 | 409 011 | 432 732 | |
| Service charges - water revenue | 11 350 | 11 350 | 11 350 | 11 350 | 11 350 | 11 350 | 11 350 | 11 350 | 11 350 | 11 350 | 11 350 | 11 350 | 136 200 | 142 691 | 149 558 | |
| Service charges - sanitation revenue | 4 101 | 4 101 | 4 101 | 4 101 | 4 101 | 4 101 | 4 101 | 4 101 | 4 101 | 4 101 | 4 101 | 4 101 | 49 206 | 51 323 | 53 554 | |
| Service charges - refuse revenue | 4 146 | 4 146 | 4 146 | 4 146 | 4 146 | 4 146 | 4 146 | 4 146 | 4 146 | 4 146 | 4 146 | 4 146 | 49 750 | 51 897 | 54 159 | |
| Rental of facilities and equipment | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 1 386 | 1 461 | 1 540 | |
| Interest earned - external investments | 561 | 561 | 561 | 561 | 561 | 561 | 561 | 561 | 561 | 561 | 561 | 561 | 6 732 | 7 090 | 7 470 | |
| Interest earned - outstanding debtors | 695 | 695 | 695 | 695 | 695 | 695 | 695 | 695 | 695 | 695 | 695 | 695 | 8 334 | 8 500 | 8 900 | |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Fines, penalties and forfeits | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 83 | 1 001 | 1 055 | 1 112 | |
| Licences and permits | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 2 127 | 2 241 | 2 362 | |
| Agency services | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 1 000 | 12 000 | 12 648 | 13 000 | |
| Transfer receipts - operational | 320 165 | - | - | - | 250 945 | - | - | 128 134 | - | - | - | - | 699 244 | 772 980 | 857 859 | |
| Other revenue | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 298 | 3 579 | 3 762 | 3 960 | |
| Cash Receipts by Source | 391 337 | 71 172 | 71 172 | 71 172 | 322 117 | 71 172 | 71 172 | 71 172 | 199 306 | 71 172 | 71 172 | 71 172 | 1 553 309 | 1 688 408 | 1 816 499 | |
| Other Cash Flows by Source | | | | | | | | | | | | | | | | |
| Transfer receipts - capital (including transfers from other funds, allocations) (National / Provincial Departmental | - | 120 673 | - | - | - | 88 321 | - | - | 72 803 | - | - | - | 281 797 | 317 703 | 342 794 | |
| Proceeds on disposal of PPE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Short term loans | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Borrowing long term/refinancing | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Increase (decrease) in consumer deposits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Decrease (Increase) in non-current debtors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Decrease (increase) other non-current receivables | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Decrease (increase) in non-current investments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Cash Receipts by Source | 391 337 | 191 845 | 71 172 | 71 172 | 322 117 | 159 493 | 71 172 | 71 172 | 272 109 | 71 172 | 71 172 | 71 172 | 1 835 106 | 2 006 111 | 2 159 293 | |
| Cash Payments by Type | | | | | | | | | | | | | | | | |
| Employee related costs | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 39 167 | 470 000 | 498 656 | 524 321 | |
| Remuneration of councilors | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 2 770 | 33 242 | 35 037 | 36 929 | |
| Finance charges | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Bulk purchases - Electricity | 37 500 | 37 500 | 37 500 | 37 500 | 37 500 | 37 500 | 37 500 | 37 500 | 37 500 | 37 500 | 37 500 | 37 500 | 450 000 | 474 300 | 499 912 | |
| Bulk purchases - Water & Sewer | 9 167 | 9 167 | 9 167 | 9 167 | 9 167 | 9 167 | 9 167 | 9 167 | 9 167 | 9 167 | 9 167 | 9 167 | 110 000 | 115 940 | 122 201 | |
| Other materials | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 2 193 | 26 320 | 27 741 | 29 239 | |
| Contracted services | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 19 590 | 235 075 | 243 959 | 254 485 | |
| Transfers and grants - other municipalities | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Transfers and grants - other | 4 500 | - | - | - | - | - | - | - | - | - | - | - | 4 500 | 4 600 | 4 700 | |
| Other expenditure | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 15 758 | 189 101 | 199 312 | 210 075 | |
| Cash Payments by Type | 130 645 | 126 145 | 126 145 | 126 145 | 126 145 | 126 145 | 126 145 | 126 145 | 126 145 | 126 145 | 126 145 | 126 145 | 1 518 237 | 1 599 545 | 1 681 861 | |
| Other Cash Flows/Payments by Type | | | | | | | | | | | | | | | | |
| Capital assets | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 23 483 | 281 797 | 317 703 | 342 794 | |
| Repayment of borrowing | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Other Cash Flows/Payments | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Cash Payments by Type | 154 128 | 149 628 | 149 628 | 149 628 | 149 628 | 149 628 | 149 628 | 149 628 | 149 628 | 149 628 | 149 628 | 149 628 | 1 800 034 | 1 917 248 | 2 024 655 | |
| NET INCREASE/(DECREASE) IN CASH HELD | 237 209 | 42 217 | (78 456) | (78 456) | 172 489 | 9 865 | (78 456) | (78 456) | 122 481 | (78 456) | (78 456) | (78 456) | 35 072 | 88 863 | 134 638 | |
| Cash/cash equivalents at the month/year begin: | 28 922 | 266 132 | 308 349 | 229 893 | 151 437 | 323 926 | 333 792 | 255 336 | 176 880 | 299 361 | 220 905 | 142 450 | 28 922 | 63 994 | 152 857 | |
| Cash/cash equivalents at the month/year end: | 266 132 | 308 349 | 229 893 | 151 437 | 323 926 | 333 792 | 255 336 | 176 880 | 299 361 | 220 905 | 142 450 | 63 994 | 63 994 | 152 857 | 287 494 | |

2.10 Annual budgets and SDBIPs – internal departments

The SDBIP's for the different departments will in terms of section 53(1)(c)(ii) of the MFMA be tabled and approved by the mayor within 28 days after the approval of the annual budget

2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

2.12 Capital expenditure details

The following three tables present details of the Municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 51 MBRR SA 34a - Capital expenditure on new assets by asset class

| Description R thousand | Ref 1 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|-------------------------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Capital expenditure on new assets by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 260 410 | 216 850 | 90 213 | 145 000 | 145 000 | 145 000 | 281 797 | 317 703 | 342 794 |
| Roads Infrastructure | | 131 631 | 100 168 | — | — | — | — | 77 000 | 88 000 | 84 000 |
| Roads | | 131 631 | 100 168 | — | — | — | — | 77 000 | 88 000 | 84 000 |
| Road Structures | | | | | | | | | | |
| Road Furniture | | | | | | | | | | |
| Capital Spares | | | | | | | | | | |
| Storm water Infrastructure | | — | — | — | — | — | — | — | — | — |
| Drainage Collection | | | | | | | | | | |
| Storm water Conveyance | | | | | | | | | | |
| Attenuation | | | | | | | | | | |
| Electrical Infrastructure | | 22 000 | 11 519 | — | — | — | — | 16 787 | 36 703 | 38 794 |
| Power Plants | | | | | | | | | | |
| HV Substations | | | | | | | | | | |
| HV Switching Station | | | | | | | | | | |
| HV Transmission Conductors | | | | | | | | | | |
| MV Substations | | | | | | | | | | |
| MV Switching Stations | | | | | | | | | | |
| MV Networks | | 22 000 | 10 766 | — | — | — | — | 16 787 | 36 703 | 38 794 |
| LV Networks | | | | | | | | | | |
| Capital Spares | | | 753 | — | — | — | — | | | |
| Water Supply Infrastructure | | 86 271 | 75 640 | 77 158 | 120 000 | 120 000 | 120 000 | 135 000 | 120 000 | 142 000 |
| Dams and Weirs | | | | | | | | | | |
| Boreholes | | | | | | | | | | |
| Reservoirs | | | | | | | | | | |
| Pump Stations | | | | | | | | | | |
| Water Treatment Works | | | | | | | | | | |
| Bulk Mains | | | | | | | | | | |
| Distribution | | 86 271 | 75 640 | 77 158 | 120 000 | 120 000 | 120 000 | 135 000 | 120 000 | 142 000 |
| Distribution Points | | | | | | | | | | |
| PRV Stations | | | | | | | | | | |
| Capital Spares | | | | | | | | | | |
| Sanitation Infrastructure | | 20 509 | 29 522 | 13 055 | 25 000 | 25 000 | 25 000 | 53 010 | 73 000 | 78 000 |
| Pump Station | | | | | | | | | | |
| Recirculation | | | | | | | | | | |
| Waste Water Treatment Works | | 20 509 | — | 13 055 | 25 000 | 25 000 | 25 000 | 53 010 | 73 000 | 78 000 |
| Outfall Sewers | | | 29 522 | — | — | — | — | | | |
| Toilet Facilities | | | — | — | — | — | — | | | |
| Capital Spares | | | | | | | | | | |
| Solid Waste Infrastructure | | — | — | — | — | — | — | — | — | — |
| Landfill Sites | | | | | | | | | | |
| Waste Transfer Stations | | | | | | | | | | |
| Waste Processing Facilities | | | | | | | | | | |
| Waste Drop-off Points | | | | | | | | | | |
| Waste Separation Facilities | | | | | | | | | | |
| Electricity Generation Facilities | | | | | | | | | | |
| Capital Spares | | | | | | | | | | |
| Rail Infrastructure | | — | — | — | — | — | — | — | — | — |
| Rail Lines | | | | | | | | | | |
| Rail Structures | | | | | | | | | | |
| Rail Furniture | | | | | | | | | | |
| Drainage Collection | | | | | | | | | | |
| Storm water Conveyance | | | | | | | | | | |
| Attenuation | | | | | | | | | | |
| MV Substations | | | | | | | | | | |
| LV Networks | | | | | | | | | | |
| Capital Spares | | | | | | | | | | |
| Coastal Infrastructure | | — | — | — | — | — | — | — | — | — |
| Sand Pumps | | | | | | | | | | |
| Piers | | | | | | | | | | |
| Revetments | | | | | | | | | | |
| Promenades | | | | | | | | | | |
| Capital Spares | | | | | | | | | | |
| Information and Communication Infrastructure | | — | — | — | — | — | — | — | — | — |
| Data Centres | | | | | | | | | | |
| Core Layers | | | | | | | | | | |
| Distribution Layers | | | | | | | | | | |
| Capital Spares | | | | | | | | | | |
| Community Assets | | 25 189 | 2 730 | — | 9 500 | 9 500 | 9 500 | — | — | — |
| Community Facilities | | 11 098 | 720 | — | — | — | — | — | — | — |
| Halls | | 9 107 | — | — | — | — | — | — | — | — |
| Centres | | | | | | | | | | |

| | | | | | | | | |
|-------------------------------------------------|--------|---------|---------|---------|---------|---------|---------|---------|
| <i>Crèches</i> | | | | | | | | |
| <i>Clinics/Care Centres</i> | | | | | | | | |
| <i>Fire/Ambulance Stations</i> | | | | | | | | |
| <i>Testing Stations</i> | | | | | | | | |
| <i>Museums</i> | | | | | | | | |
| <i>Galleries</i> | | | | | | | | |
| <i>Theatres</i> | | | | | | | | |
| <i>Libraries</i> | 1 990 | 296 | | | | | | |
| <i>Cemetteries/Crematoria</i> | | | | | | | | |
| <i>Police</i> | | | | | | | | |
| <i>Parks</i> | | | | | | | | |
| <i>Public Open Space</i> | | | | | | | | |
| <i>Nature Reserves</i> | | | | | | | | |
| <i>Public Abolition Facilities</i> | | | | | | | | |
| <i>Markets</i> | | | | | | | | |
| <i>Stalls</i> | - | - | - | - | - | - | - | - |
| <i>Abattoirs</i> | | | | | | | | |
| <i>Airports</i> | | | | | | | | |
| <i>Taxi Ranks/Bus Terminals</i> | | | | | | | | |
| <i>Capital Spares</i> | | 425 | | | | | | |
| Sport and Recreation Facilities | 14 091 | 2 010 | - | 9 500 | 9 500 | 9 500 | - | - |
| <i>Indoor Facilities</i> | | | | | | | | |
| <i>Outdoor Facilities</i> | 14 091 | 2 010 | - | 9 500 | 9 500 | 9 500 | - | - |
| <i>Capital Spares</i> | | | | | | | | |
| Heritage assets | - | - | - | - | - | - | - | - |
| <i>Monuments</i> | | | | | | | | |
| <i>Historic Buildings</i> | | | | | | | | |
| <i>Works of Art</i> | | | | | | | | |
| <i>Conservation Areas</i> | | | | | | | | |
| <i>Other Heritage</i> | | | | | | | | |
| Investment properties | - | - | - | - | - | - | - | - |
| <i>Revenue Generating</i> | - | - | - | - | - | - | - | - |
| <i>Improved Property</i> | | | | | | | | |
| <i>Unimproved Property</i> | | | | | | | | |
| <i>Non-revenue Generating</i> | - | - | - | - | - | - | - | - |
| <i>Improved Property</i> | | | | | | | | |
| <i>Unimproved Property</i> | | | | | | | | |
| Other assets | 1 816 | 12 522 | - | - | - | - | - | - |
| <i>Operational Buildings</i> | 1 816 | 12 522 | - | - | - | - | - | - |
| <i>Municipal Offices</i> | 1 816 | | | | | | | |
| <i>Pay/Enquiry Points</i> | | | | | | | | |
| <i>Building Plan Offices</i> | | | | | | | | |
| <i>Workshops</i> | | | | | | | | |
| <i>Yards</i> | | | | | | | | |
| <i>Stores</i> | | | | | | | | |
| <i>Laboratories</i> | | | | | | | | |
| <i>Training Centres</i> | | | | | | | | |
| <i>Manufacturing Plant</i> | | | | | | | | |
| <i>Depots</i> | | | | | | | | |
| <i>Capital Spares</i> | | 12 522 | | | | | | |
| <i>Housing</i> | - | - | - | - | - | - | - | - |
| <i>Staff Housing</i> | | | | | | | | |
| <i>Social Housing</i> | | | | | | | | |
| <i>Capital Spares</i> | | | | | | | | |
| Biological or Cultivated Assets | - | - | - | - | - | - | - | - |
| <i>Biological or Cultivated Assets</i> | | | | | | | | |
| Intangible Assets | - | - | - | - | - | - | - | - |
| <i>Servitudes</i> | | | | | | | | |
| <i>Licences and Rights</i> | | | | | | | | |
| <i>Water Rights</i> | | | | | | | | |
| <i>Effluent Licenses</i> | | | | | | | | |
| <i>Solid Waste Licenses</i> | | | | | | | | |
| <i>Computer Software and Applications</i> | | | | | | | | |
| <i>Load Settlement Software Applications</i> | | | | | | | | |
| <i>Unspecified</i> | | | | | | | | |
| Computer Equipment | - | - | - | - | - | - | - | - |
| <i>Computer Equipment</i> | | | | | | | | |
| Furniture and Office Equipment | 1 585 | 1 065 | 4 593 | - | 29 279 | 29 279 | - | - |
| <i>Furniture and Office Equipment</i> | 1 585 | 1 065 | 4 593 | - | 29 279 | 29 279 | - | - |
| Machinery and Equipment | - | - | - | - | - | - | - | - |
| <i>Machinery and Equipment</i> | | | | | | | | |
| Transport Assets | - | 19 449 | 16 437 | - | - | - | - | - |
| <i>Transport Assets</i> | - | 19 449 | 16 437 | - | - | - | - | - |
| Land | - | - | 1 393 | - | - | - | - | - |
| <i>Land</i> | - | - | 1 393 | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | - | - | - | - | - | - | - | - |
| <i>Zoo's, Marine and Non-biological Animals</i> | | | | | | | | |
| Total Capital Expenditure on new assets | 1 | 289 000 | 252 614 | 112 636 | 154 500 | 183 779 | 183 779 | 281 797 |
| | | | | | | | | 317 703 |
| | | | | | | | | 342 794 |

Table 52 MBRR SA34b - Capital expenditure on the renewal of existing assets by asset class

| Description R thousand | Ref 1 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|-----------------------------------------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Capital expenditure on renewal of existing assets by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | - | - | 15 381 | 24 971 | 24 971 | 24 971 | - | - | - |
| Roads Infrastructure | | - | - | - | - | - | - | - | - | - |
| Storm water Infrastructure | | - | - | - | - | - | - | - | - | - |
| Electrical Infrastructure | | - | - | 14 352 | 24 971 | 24 971 | 24 971 | - | - | - |
| <i>LV Networks</i> | | - | - | 14 352 | 24 971 | 24 971 | 24 971 | - | - | - |
| Water Supply Infrastructure | | - | - | - | - | - | - | - | - | - |
| Sanitation Infrastructure | | - | - | - | - | - | - | - | - | - |
| Solid Waste Infrastructure | | - | - | 1 029 | - | - | - | - | - | - |
| <i>Landfill Sites</i> | | - | - | 1 029 | - | - | - | - | - | - |
| Rail Infrastructure | | - | - | - | - | - | - | - | - | - |
| Coastal Infrastructure | | - | - | - | - | - | - | - | - | - |
| Information and Communication Infrastructure | | - | - | - | - | - | - | - | - | - |
| Community Assets | | - | - | 5 292 | - | - | - | - | - | - |
| Community Facilities | | - | - | 5 292 | - | - | - | - | - | - |
| <i>Taxi Ranks/Bus Terminals</i> | | - | - | 5 292 | - | - | - | - | - | - |
| Sport and Recreation Facilities | | - | - | - | - | - | - | - | - | - |
| Heritage assets | | - | - | - | - | - | - | - | - | - |
| Investment properties | | - | - | - | - | - | - | - | - | - |
| Revenue Generating | | - | - | - | - | - | - | - | - | - |
| Non-revenue Generating | | - | - | - | - | - | - | - | - | - |
| Other assets | | - | - | - | - | - | - | - | - | - |
| Operational Buildings | | - | - | - | - | - | - | - | - | - |
| Housing | | - | - | - | - | - | - | - | - | - |
| Biological or Cultivated Assets | | - | - | - | - | - | - | - | - | - |
| Intangible Assets | | - | - | - | - | - | - | - | - | - |
| Licences and Rights | | - | - | - | - | - | - | - | - | - |
| Computer Equipment | | - | - | - | - | - | - | - | - | - |
| Furniture and Office Equipment | | - | - | - | - | - | - | - | - | - |
| Machinery and Equipment | | - | - | - | - | - | - | - | - | - |
| Transport Assets | | - | - | - | - | - | - | - | - | - |
| Land | | - | - | - | - | - | - | - | - | - |
| Zoo's, Marine and Non-biological Animals | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure on renewal of existing assets | 1 | - | - | 20 673 | 24 971 | 24 971 | 24 971 | - | - | - |

Table 53 MBRR SA34c - Repairs and maintenance expenditure by asset class

| Description R thousand | Ref 1 | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------------------------------------------|----------|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Repairs and maintenance expenditure by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | 98 116 | 105 932 | 90 417 | 85 900 | 86 835 | 86 835 | 82 200 | 86 639 | 91 317 |
| Roads Infrastructure | | 32 564 | 11 070 | 1 625 | 10 300 | 10 300 | 10 300 | 6 600 | 6 956 | 7 332 |
| Roads | | | | | | | | | | |
| Road Structures | | 32 564 | 11 070 | 1 168 | 8 000 | 8 000 | 8 000 | 5 000 | 5 270 | 5 555 |
| Road Furniture | | – | – | 457 | 2 300 | 2 300 | 2 300 | 1 600 | 1 686 | 1 777 |
| Capital Spares | | – | – | – | – | – | – | – | – | – |
| Storm water Infrastructure | | – | – | – | – | – | – | – | – | – |
| Electrical Infrastructure | | 34 900 | 22 000 | 26 410 | 20 500 | 25 500 | 25 500 | 26 000 | 27 404 | 28 884 |
| Power Plants | | 34 900 | 22 000 | 25 914 | 20 000 | 25 500 | 25 500 | 26 000 | 27 404 | 28 884 |
| LV Networks | | – | – | 496 | 500 | – | – | – | – | – |
| Capital Spares | | – | – | – | – | – | – | – | – | – |
| Water Supply Infrastructure | | 22 866 | 44 550 | 54 283 | 39 800 | 37 800 | 37 800 | 35 800 | 37 733 | 39 771 |
| Dams and Weirs | | | | | | | | | | |
| Boreholes | | | | | | | | | | |
| Reservoirs | | – | – | 691 | 1 000 | 1 000 | 1 000 | 1 000 | 1 054 | 1 111 |
| Pump Stations | | – | – | – | – | – | – | – | – | – |
| Water Treatment Works | | 22 866 | 44 550 | 35 656 | 21 800 | 21 800 | 21 800 | 21 800 | 22 977 | 24 218 |
| Bulk Mains | | | | | | | | | | |
| Distribution | | – | – | 6 451 | 7 000 | 5 000 | 5 000 | 5 000 | 5 270 | 5 555 |
| Distribution Points | | – | – | 11 485 | 10 000 | 10 000 | 10 000 | 8 000 | 8 432 | 8 887 |
| PRV Stations | | – | – | – | – | – | – | – | – | – |
| Capital Spares | | – | – | – | – | – | – | – | – | – |
| Sanitation Infrastructure | | 7 306 | 27 000 | 7 694 | 9 500 | 10 435 | 10 435 | 10 000 | 10 540 | 11 109 |
| Pump Station | | 7 306 | 27 000 | 7 694 | 9 500 | 10 435 | 10 435 | 10 000 | 10 540 | 11 109 |
| Solid Waste Infrastructure | | 479 | 1 312 | 148 | 800 | 800 | 800 | 800 | 843 | 889 |
| Landfill Sites | | 479 | 1 312 | 148 | 800 | 800 | 800 | 800 | 843 | 889 |
| Rail Infrastructure | | – | – | – | – | – | – | – | – | – |
| Coastal Infrastructure | | – | – | – | – | – | – | – | – | – |
| Information and Communication Infrastructure | | – | – | 257 | 5 000 | 2 000 | 2 000 | 3 000 | 3 162 | 3 333 |
| Data Centres | | – | – | 257 | 5 000 | 2 000 | 2 000 | 3 000 | 3 162 | 3 333 |
| Community Assets | | 4 102 | 5 250 | 2 588 | 3 683 | 3 578 | 3 578 | 2 630 | 2 772 | 2 922 |
| Community Facilities | | 4 102 | 5 250 | 2 588 | 3 578 | 3 578 | 3 578 | 2 600 | 2 740 | 2 888 |
| Cemeteries/Crematoria | | 4 102 | 5 250 | 1 252 | 1 578 | 1 578 | 1 578 | 800 | 843 | 889 |
| Police | | – | – | – | – | – | – | – | – | – |
| Parks | | – | – | 689 | 1 000 | 1 000 | 1 000 | 1 000 | 1 054 | 1 111 |
| Public Open Space | | – | – | 647 | 1 000 | 1 000 | 1 000 | 800 | 843 | 889 |
| Sport and Recreation Facilities | | – | – | – | 105 | – | – | 30 | 32 | 33 |
| Indoor Facilities | | – | – | – | 105 | – | – | 30 | 32 | 33 |
| Outdoor Facilities | | – | – | – | – | – | – | – | – | – |
| Capital Spares | | – | – | – | – | – | – | – | – | – |
| Heritage assets | | – | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Revenue Generating | | – | – | – | – | – | – | – | – | – |
| Non-revenue Generating | | – | – | – | – | – | – | – | – | – |
| Other assets | | 7 993 | 10 886 | 26 | 70 | 70 | 70 | 70 | 74 | 78 |
| Operational Buildings | | 7 993 | 10 886 | 26 | 70 | 70 | 70 | 70 | 74 | 78 |
| Municipal Offices | | 7 993 | 10 886 | 26 | 70 | 70 | 70 | 70 | 74 | 78 |
| Housing | | – | – | – | – | – | – | – | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| Biological or Cultivated Assets | | – | – | – | – | – | – | – | – | – |
| Intangible Assets | | – | – | – | – | – | – | – | – | – |
| Servitudes | | – | – | – | – | – | – | – | – | – |
| Licences and Rights | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | – | – | – | – | – | – |
| Computer Equipment | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |
| Furniture and Office Equipment | | – | – | – | – | – | – | – | – | – |
| Machinery and Equipment | | – | – | 492 | 2 140 | 1 850 | 1 850 | 1 810 | 1 908 | 2 011 |
| Machinery and Equipment | | – | – | 492 | 2 140 | 1 850 | 1 850 | 1 810 | 1 908 | 2 011 |
| Transport Assets | | 2 375 | – | 3 294 | 1 000 | 1 050 | 1 050 | 1 000 | 1 054 | 1 111 |
| Transport Assets | | 2 375 | – | 3 294 | 1 000 | 1 050 | 1 050 | 1 000 | 1 054 | 1 111 |
| Land | | – | – | – | – | – | – | – | – | – |
| Land | | – | – | – | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| Zoo's, Marine and Non-biological Animals | | – | – | – | – | – | – | – | – | – |
| Total Repairs and Maintenance Expenditure | 1 | 112 585 | 122 069 | 96 818 | 92 793 | 93 383 | 93 383 | 87 710 | 92 446 | 97 438 |

Table 54 MBRR SA35 - Future financial implications of the capital budget

| Vote Description R thousand | Ref | 2019/20 Medium Term Revenue & Expenditure Framework | | | Forecasts | | | |
|----------------------------------------------------------|-----|-----------------------------------------------------|---------------------------|---------------------------|---------------------|---------------------|---------------------|---------------|
| | | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 | Forecast 2022/23 | Forecast 2023/24 | Forecast 2024/25 | Present value |
| Capital expenditure | 1 | | | | | | | |
| Vote 01 - Executive Council | | - | - | - | - | - | - | - |
| Vote 02 - Municipal Manager | | - | - | - | - | - | - | - |
| Vote 03 - Chief Operating Officer | | - | - | - | - | - | - | - |
| Vote 04 - Corporate Support Services | | - | - | - | - | - | - | - |
| Vote 05 - Budget And Treasury Office | | - | - | - | - | - | - | - |
| Vote 06 - Infrastructure And Technical Services | | 281 797 | 317 703 | 342 794 | - | - | - | - |
| Vote 07 - Community Services | | - | - | - | - | - | - | - |
| Vote 08 - Human Settlement | | - | - | - | - | - | - | - |
| Vote 09 - Economic Dev, Tourism & Agriculture | | - | - | - | - | - | - | - |
| Vote 10 - Public Safety, Fleet And Facilities Management | | - | - | - | - | - | - | - |
| Vote 11 - Internal Audit | | - | - | - | - | - | - | - |
| Vote 12 - Risk Management | | - | - | - | - | - | - | - |
| Vote 13 - [Name Of Vote 13] | | - | - | - | - | - | - | - |
| Vote 14 - [Name Of Vote 14] | | - | - | - | - | - | - | - |
| Vote 15 - Other | | - | - | - | - | - | - | - |
| <i>List entity summary if applicable</i> | | | | | | | | |
| Total Capital Expenditure | | 281 797 | 317 703 | 342 794 | - | - | - | - |
| Future operational costs by vote | 2 | | | | | | | |
| Vote 01 - Executive Council | | 68 700 | 72 680 | 76 605 | | | | |
| Vote 02 - Municipal Manager | | 4 173 | 4 424 | 4 662 | | | | |
| Vote 03 - Chief Operating Officer | | 23 505 | 25 012 | 26 363 | | | | |
| Vote 04 - Corporate Support Services | | 80 326 | 84 775 | 89 204 | | | | |
| Vote 05 - Budget And Treasury Office | | 1 018 405 | 1 019 337 | 1 016 691 | | | | |
| Vote 06 - Infrastructure And Technical Services | | 807 244 | 849 579 | 894 393 | | | | |
| Vote 07 - Community Services | | 129 487 | 133 834 | 138 214 | | | | |
| Vote 08 - Human Settlement | | 28 217 | 30 054 | 31 677 | | | | |
| Vote 09 - Economic Dev, Tourism & Agriculture | | 14 373 | 15 289 | 16 114 | | | | |
| Vote 10 - Public Safety, Fleet And Facilities Management | | 239 262 | 253 415 | 267 099 | | | | |
| Vote 11 - Internal Audit | | 9 920 | 10 561 | 11 132 | | | | |
| Vote 12 - Risk Management | | 126 | 133 | 140 | | | | |
| Vote 13 - [Name Of Vote 13] | | - | - | - | | | | |
| Vote 14 - [Name Of Vote 14] | | - | - | - | | | | |
| Vote 15 - Other | | - | - | - | | | | |
| <i>List entity summary if applicable</i> | | | | | | | | |
| Total future operational costs | | 2 423 738 | 2 499 093 | 2 572 295 | - | - | - | - |
| Future revenue by source | 3 | | | | | | | |
| Property rates | | 270 000 | 285 000 | 300 390 | | | | |
| Service charges - electricity revenue | | 475 000 | 500 650 | 527 627 | | | | |
| Service charges - water revenue | | 161 600 | 170 254 | 179 411 | | | | |
| Service charges - sanitation revenue | | 52 275 | 55 097 | 58 072 | | | | |
| Service charges - refuse revenue | | 53 000 | 55 862 | 58 878 | | | | |
| Rental of facilities and equipment | | 1 386 | 1 461 | 1 540 | | | | |
| <i>List other revenues sources if applicable</i> | | | | | | | | |
| <i>List entity summary if applicable</i> | | | | | | | | |
| Total future revenue | | 1 019 993 | 1 075 414 | 1 133 387 | - | - | - | - |
| Net Financial Implications | | 1 685 542 | 1 741 383 | 1 781 701 | - | - | - | - |

Table 55 MBRR SA36 - Detailed capital budget per municipal vote

| R thousand | Function | Project Description | Project Number | Type | MTSF Service Outcome | IUDF | Own Strategic Objectives | Asset Class | Asset Sub-Class | Ward Location | GPS Longitude | GPS Latitude | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|-------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|---------------------|----------------|------------------------------------------------|----------------------|---------------------------------|--------------------------------|-------------------------|-----------------|---------------|---------------|--------------|----------------------------|-----------------------------------------------|-----------------------------------------------------|---------------------------|---------------------------|
| | | | | | | | | | | | | | Audited Outcome 2017/18 | Current Year 2018/19 Full Year Forecast | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| Parent municipality: <i>List all capital projects grouped by Function</i> | | | | | | | | | | | | | | | | | |
| Executive And Council | Capital Non-Infrastructure New Furniture And Office Equipment | - | NEW | Growth | Growth | Furniture And Office Equipment | Furniture And Office Equipment | R-WHOLE OF MUNICIPALITY | | | | | 86 | 28 | - | - | - |
| Finance And Administration | Capital Non-Infrastructure New Furniture And Office Equipment | - | NEW | Growth | Growth | Furniture And Office Equipment | Furniture And Office Equipment | R-WHOLE OF MUNICIPALITY | | | | | 3 880 | 28 851 | - | - | - |
| Finance And Administration | Capital Non-Infrastructure New Transport Assets | - | NEW | Growth | Growth | Transport Assets | Transport Assets | R-WHOLE OF MUNICIPALITY | | | | | 16 437 | - | - | - | - |
| Internal Audit | Capital Non-Infrastructure New Furniture And Office Equipment | - | NEW | Growth | Growth | Furniture And Office Equipment | Furniture And Office Equipment | R-WHOLE OF MUNICIPALITY | | | | | 10 | 51 | - | - | - |
| Community And Social Services | Capital Non-Infrastructure New Furniture And Office Equipment | - | NEW | Growth | Growth | Furniture And Office Equipment | Furniture And Office Equipment | R-WHOLE OF MUNICIPALITY | | | | | 488 | - | - | - | - |
| Sport And Recreation | Capital Non-Infrastructure New Furniture And Office Equipment | - | NEW | Growth | Growth | Furniture And Office Equipment | Furniture And Office Equipment | R-WHOLE OF MUNICIPALITY | | | | | 26 | - | - | - | - |
| Sport And Recreation | Infrastructure Existing Upgrading:Community Assets Sport And Recreation Facilities:Indoor Facilities | - | UPGRADING | A long and healthy life for all South Africans | Inclusion and Access | Sport And Recreation Facilities | Indoor Facilities | R-WARD 03 | | | | | 898 | - | - | - | - |
| Sport And Recreation | Capital Non-Infrastructure New Community Assets Sport And Recreation Facilities:Outdoor Facilities PA2_S03_OSO4_Sp | PA2_S03_OSO4_Sp | NEW | A long and healthy life for all South Africans | Growth | Sport And Recreation Facilities | Outdoor Facilities | R-WARD 06 | | | | | - | 9 500 | - | - | - |
| Public Safety | Capital Non-Infrastructure New Furniture And Office Equipment | - | NEW | Growth | Growth | Furniture And Office Equipment | Furniture And Office Equipment | R-WHOLE OF MUNICIPALITY | | | | | - | 7 | - | - | - |
| Housing | Capital Non-Infrastructure New Furniture And Office Equipment | - | NEW | Growth | Growth | Furniture And Office Equipment | Furniture And Office Equipment | R-WHOLE OF MUNICIPALITY | | | | | 93 | - | - | - | - |
| Planning And Development | Capital Non-Infrastructure Land | - | NEW | | Spatial Integration | Land | Land | R-WHOLE OF MUNICIPALITY | | | | | 1 393 | - | - | - | - |
| Road Transport | Capital Infrastructure Existing Upgrading Roads Infrastructure Roads | - | UPGRADING | Growth | Inclusion and Access | Roads Infrastructure | Roads | R-WARD 01 | | | | | 6 306 | - | - | - | - |
| Road Transport | Capital Infrastructure Existing Upgrading Roads Infrastructure Roads | - | UPGRADING | Growth | Inclusion and Access | Roads Infrastructure | Roads | R-WARD 02 | | | | | 16 839 | 11 000 | 11 000 | 12 000 | 12 000 |
| Road Transport | Capital Infrastructure Existing Upgrading Roads Infrastructure Roads | - | UPGRADING | Growth | Inclusion and Access | Roads Infrastructure | Roads | R-WARD 03 | | | | | 7 714 | 11 000 | 11 000 | 14 000 | 12 000 |
| Road Transport | Capital Infrastructure Existing Upgrading Roads Infrastructure Roads | - | UPGRADING | Growth | Inclusion and Access | Roads Infrastructure | Roads | R-WARD 04 | | | | | 8 492 | 11 000 | 11 000 | 12 000 | 12 000 |
| Road Transport | Capital Infrastructure Existing Upgrading Roads Infrastructure Roads | - | UPGRADING | Growth | Inclusion and Access | Roads Infrastructure | Roads | R-WARD 07 | | | | | 9 178 | 11 000 | 11 000 | 13 000 | 12 000 |
| Road Transport | Capital Infrastructure Existing Upgrading Roads Infrastructure Roads | - | UPGRADING | Growth | Inclusion and Access | Roads Infrastructure | Roads | R-WARD 09 | | | | | 14 529 | 28 787 | 11 000 | 13 000 | 12 000 |
| Road Transport | Capital Infrastructure Existing Upgrading Roads Infrastructure Roads | - | UPGRADING | Growth | Inclusion and Access | Roads Infrastructure | Roads | R-WARD 15 | | | | | 7 505 | 11 000 | 11 000 | 12 000 | 12 000 |
| Road Transport | Capital Infrastructure Existing Upgrading Roads Infrastructure Roads | - | UPGRADING | Growth | Inclusion and Access | Roads Infrastructure | Roads | R-WARD 17 | | | | | 1 089 | 11 000 | - | - | - |
| Road Transport | Capital Infrastructure Existing Upgrading Roads Infrastructure Roads | - | UPGRADING | Growth | Inclusion and Access | Roads Infrastructure | Roads | R-WARD 21 | | | | | 10 866 | 11 000 | 11 000 | 12 000 | 12 000 |
| Road Transport | L-Non-Infrastructure Existing Renewal Community Assets:Community Facilities:Taxi Ranks | - | RENEWAL | Growth | Inclusion and Access | Community Facilities | Taxi Ranks/Bus Terminals | R-WARD 13 | | | | | 513 | - | - | - | - |
| Road Transport | L-Non-Infrastructure Existing Renewal Community Assets:Community Facilities:Taxi Ranks | - | RENEWAL | Growth | Inclusion and Access | Community Facilities | Taxi Ranks/Bus Terminals | R-WHOLE OF MUNICIPALITY | | | | | 4 779 | - | - | - | - |
| Road Transport | Capital Non-Infrastructure New Furniture And Office Equipment | - | NEW | Growth | Inclusion and Access | Furniture And Office Equipment | Furniture And Office Equipment | R-WHOLE OF MUNICIPALITY | | | | | 4 | 306 | - | - | - |
| Energy Sources | Capital Infrastructure Existing Renewal Electrical Infrastructure Lv Networks | - | RENEWAL | Growth | Inclusion and Access | Electrical Infrastructure | Lv Networks | R-WARD 14 | | | | | - | 12 475 | 14 090 | 34 125 | 36 383 |
| Energy Sources | Capital Infrastructure Existing Renewal Electrical Infrastructure Lv Networks | - | RENEWAL | Growth | Inclusion and Access | Electrical Infrastructure | Lv Networks | R-WARD 15 | | | | | 14 352 | 2 250 | 2 697 | 2 578 | 2 411 |
| Water Management | Capital Infrastructure New Water Supply Infrastructure Distribution | - | NEW | Growth | Inclusion and Access | Water Supply Infrastructure | Distribution | R-WARD 01 | | | | | 1 598 | 10 000 | 15 000 | 15 000 | 15 000 |
| Water Management | Capital Infrastructure New Water Supply Infrastructure Distribution | - | NEW | Growth | Inclusion and Access | Water Supply Infrastructure | Distribution | R-WARD 03 | | | | | 20 594 | 35 000 | 40 000 | 40 000 | 47 000 |
| Water Management | Capital Infrastructure New Water Supply Infrastructure Distribution | - | NEW | Growth | Inclusion and Access | Water Supply Infrastructure | Distribution | R-WARD 08 | | | | | 8 691 | 30 000 | 35 000 | 30 000 | 35 000 |
| Water Management | Capital Infrastructure New Water Supply Infrastructure Distribution | - | NEW | Growth | Inclusion and Access | Water Supply Infrastructure | Distribution | R-WARD 10 | | | | | 46 276 | 45 000 | 45 000 | 35 000 | 45 000 |
| Water Management | Capital Non-Infrastructure New Furniture And Office Equipment | - | NEW | Growth | Inclusion and Access | Furniture And Office Equipment | Furniture And Office Equipment | R-WHOLE OF MUNICIPALITY | | | | | - | 7 | - | - | - |
| Waste Water Management | Capital Infrastructure New Sanitation Infrastructure:Waste Water Treatment Works | - | NEW | Growth | Inclusion and Access | Sanitation Infrastructure | Waste Water Treatment Works | R-WARD 08 | | | | | 13 055 | 25 000 | 45 500 | 40 000 | 40 000 |
| Waste Water Management | Capital Infrastructure New Sanitation Infrastructure:Outfall Sewers | - | NEW | Growth | Inclusion and Access | Sanitation Infrastructure | Outfall Sewers | R-WARD 14 | | | | | - | - | - | 11 000 | 11 000 |
| Waste Water Management | Capital Infrastructure New Sanitation Infrastructure:Outfall Sewers | - | NEW | Growth | Inclusion and Access | Sanitation Infrastructure | Outfall Sewers | R-WARD 20 | | | | | - | - | - | 10 000 | 12 000 |
| Waste Water Management | Capital Infrastructure New Sanitation Infrastructure:Toilet Facilities | - | NEW | Growth | Inclusion and Access | Sanitation Infrastructure | Toilet Facilities | R-WARD 01 | | | | | - | - | 6 310 | 12 000 | 15 000 |
| Waste Water Management | Capital Non-Infrastructure New Furniture And Office Equipment | - | NEW | Growth | Inclusion and Access | Furniture And Office Equipment | Furniture And Office Equipment | R-WHOLE OF MUNICIPALITY | | | | | - | 30 | - | - | - |
| Waste Water Management | Capital Infrastructure Existing Renewal Electrical Infrastructure Lv Networks | - | RENEWAL | Growth | Inclusion and Access | Electrical Infrastructure | Lv Networks | R-WARD 19 | | | | | - | 10 245 | 1 200 | - | - |
| Waste Management | Capital Non-Infrastructure New Furniture And Office Equipment | - | NEW | Growth | Inclusion and Access | Furniture And Office Equipment | Furniture And Office Equipment | R-WHOLE OF MUNICIPALITY | | | | | 5 | - | - | - | - |
| Waste Management | Capital Infrastructure Existing Renewal Solid Waste Infrastructure:Landfill Sites | - | RENEWAL | Growth | Inclusion and Access | Solid Waste Infrastructure | Landfill Sites | R-WHOLE OF MUNICIPALITY | | | | | 1 029 | - | - | - | - |
| Other | Capital Non-Infrastructure New Furniture And Office Equipment | - | NEW | Growth | Inclusion and Access | Furniture And Office Equipment | Furniture And Office Equipment | R-WHOLE OF MUNICIPALITY | | | | | - | - | - | - | - |
| Total Capital expenditure | | | | | | | | | | | | | 216 725 | 314 537 | 281 797 | 317 703 | 342 794 |

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting
Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality's website.
2. Internship programme
The Municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.
3. Budget and Treasury Office
The Budget and Treasury Office has been established in accordance with the MFMA.
4. Audit Committee
An Audit Committee has been established and is fully functional.
5. Service Delivery and Implementation Plan
The detail SDBIP document is at a final stage and will be finalised after approval of the 2018/19 MTREF in May 2010 directly aligned and informed by the 2019/20MTREF.
6. Annual Report
Annual report is compiled in terms of the MFMA and National Treasury requirements.
7. MFMA Training
The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.
8. Policies
All financial related policies are reviewed on an annual bases or whenever the need arises and submitted with the budget for adoption by council.
9. Risk Management
A Risk Committee has been established and is functional

2.14 Other supporting documents

Table 56 MBRR Table SA1 - Supporting detail to budgeted financial performance

| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|---------------------------------------------------------------------------------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | | | | | | | | | | | |
| REVENUE ITEMS: | | | | | | | | | | | |
| Property rates | 6 | 317 683 | 296 046 | 309 254 | 352 944 | 352 944 | 352 944 | 227 345 | 383 438 | 404 564 | 426 410 |
| Total Property Rates | | 24 887 | – | 51 248 | 32 813 | 32 813 | 32 813 | 71 313 | 113 438 | 119 564 | 126 020 |
| less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPR) | | | | | | | | | | | |
| Net Property Rates | | 292 796 | 296 046 | 258 006 | 320 131 | 320 131 | 320 131 | 156 032 | 270 000 | 285 000 | 300 390 |
| Service charges - electricity revenue | 6 | 460 535 | 457 447 | 443 195 | 472 317 | 472 317 | 472 317 | 311 948 | 490 128 | 516 595 | 544 433 |
| Total Service charges - electricity revenue | | | | | | | | | | | |
| less Revenue Foregone (in excess of 50 kwh per indigent household per month) | | | | | | | | | | | |
| less Cost of Free Basis Services (50 kwh per indigent household per month) | | 10 000 | 9 658 | 9 316 | 14 380 | 14 380 | 14 380 | | 15 128 | 15 945 | 16 806 |
| Net Service charges - electricity revenue | | 450 535 | 447 788 | 433 878 | 457 937 | 457 937 | 457 937 | 311 948 | 475 000 | 500 650 | 527 627 |
| Service charges - water revenue | 6 | 125 847 | 148 907 | 117 364 | 157 816 | 157 816 | 157 816 | 111 271 | 164 101 | 172 890 | 182 189 |
| Total Service charges - water revenue | | | | | | | | | | | |
| less Revenue Foregone (in excess of 6 kilolitres per indigent household per month) | | | | | | | | | | | |
| less Cost of Free Basis Services (6 kilolitres per indigent household per month) | | 600 | 600 | 600 | 5 005 | 5 005 | 5 005 | | 2 501 | 2 636 | 2 778 |
| Net Service charges - water revenue | | 125 247 | 148 307 | 116 764 | 152 811 | 152 811 | 152 811 | 111 271 | 161 600 | 170 254 | 179 411 |
| Service charges - sanitation revenue | | 29 682 | 41 744 | 44 770 | 50 740 | 50 740 | 50 740 | 33 798 | 53 075 | 55 940 | 58 961 |
| Total Service charges - sanitation revenue | | | | | | | | | | | |
| less Revenue Foregone (in excess of free sanitation service to indigent households) | | | | | | | | | | | |
| less Cost of Free Basis Services (free sanitation service to indigent households) | | 20 | 20 | 20 | 1 600 | 1 600 | 1 600 | | 800 | 843 | 889 |
| Net Service charges - sanitation revenue | | 29 662 | 41 724 | 44 750 | 49 140 | 49 140 | 49 140 | 33 798 | 52 275 | 55 097 | 58 072 |
| Service charges - refuse revenue | 6 | 31 943 | 34 069 | 65 866 | 54 800 | 54 800 | 54 800 | 36 042 | 54 800 | 57 759 | 60 878 |
| Total refuse removal revenue | | | | | | | | | | | |
| Total landfill revenue | | | | | | | | | | | |
| less Revenue Foregone (in excess of one removal a week to indigent households) | | | | | | | | | | | |
| less Cost of Free Basis Services (removed once a week to Indigent households) | | 500 | 500 | 500 | 1 800 | 1 800 | 1 800 | | 1 800 | 1 897 | 2 000 |
| Net Service charges - refuse revenue | | 31 443 | 33 569 | 65 366 | 53 000 | 53 000 | 53 000 | 36 042 | 53 000 | 55 862 | 58 878 |
| Other Revenue by source | | | | | | | | | | | |
| Fuel Levy | | | | | | | | | | | |
| Sale Of Goods & Services | | 12 773 | 49 854 | 39 459 | 7 462 | 7 462 | 7 462 | 2 303 | 3 396 | 3 570 | 3 758 |
| Other Revenue | | – | – | – | – | – | – | – | – | – | – |
| Other Revenue | | – | – | – | 182 | 182 | 182 | 125 | 182 | 192 | 202 |
| Total 'Other' Revenue | 1 | 12 773 | 49 854 | 39 459 | 7 644 | 7 644 | 7 644 | 2 427 | 3 579 | 3 762 | 3 960 |
| EXPENDITURE ITEMS: | | | | | | | | | | | |
| Employee related costs | | | | | | | | | | | |
| Basic Salaries and Wages | 2 | 199 455 | 392 302 | 250 863 | 229 698 | 239 167 | 239 167 | 177 247 | 289 983 | 309 267 | 325 967 |
| Pension and UIF Contributions | | 42 284 | – | 49 551 | 50 249 | 50 249 | 50 249 | 38 258 | 60 151 | 64 151 | 67 616 |
| Medical Aid Contributions | | 22 592 | – | 26 788 | 26 977 | 26 977 | 26 977 | 18 968 | 29 842 | 31 827 | 33 545 |
| Overtime | | 38 205 | – | 38 829 | 15 879 | 15 879 | 15 879 | 21 879 | 17 793 | 16 378 | 15 999 |
| Performance Bonus | | – | – | 17 585 | 20 031 | 20 031 | 20 031 | 14 388 | 24 081 | 25 682 | 27 069 |
| Motor Vehicle Allowance | | 19 580 | – | 25 011 | 24 691 | 24 691 | 24 691 | 17 029 | 27 137 | 28 942 | 30 505 |
| Cellphone Allowance | | 283 | – | 275 | 367 | 367 | 367 | 239 | 389 | 415 | 437 |
| Housing Allowances | | 1 675 | – | 2 091 | 2 597 | 2 597 | 2 597 | 1 519 | 2 411 | 2 572 | 2 710 |
| Other benefits and allowances | | 17 282 | – | 7 630 | 8 962 | 9 797 | 9 797 | 3 809 | 5 015 | 5 349 | 5 638 |
| Payments in lieu of leave | | 8 162 | – | 10 532 | 11 508 | 11 508 | 11 508 | 8 072 | 13 197 | 14 075 | 14 835 |
| Long service awards | | – | – | 758 | 0 | 0 | 0 | – | – | – | – |
| Post-retirement benefit obligations | 4 | 9 326 | – | (4 672) | – | – | – | – | – | – | – |
| sub-total | 5 | 358 844 | 392 302 | 425 241 | 390 960 | 401 264 | 401 264 | 301 409 | 470 000 | 498 656 | 524 321 |
| Less: Employees costs capitalised to PPE | | – | – | – | – | – | – | – | – | – | – |
| Total Employee related costs | 1 | 358 844 | 392 302 | 425 241 | 390 960 | 401 264 | 401 264 | 301 409 | 470 000 | 498 656 | 524 321 |
| Contributions recognised - capital | | | | | | | | | | | |
| Total Contributions recognised - capital | | – | – | – | – | – | – | – | – | – | – |
| Depreciation & asset impairment | | | | | | | | | | | |
| Depreciation of Property, Plant & Equipment | | – | 458 952 | 470 943 | 552 750 | 552 750 | 552 750 | 637 | 490 000 | 516 460 | 544 349 |
| Lease amortisation | | – | – | 3 393 | – | – | – | – | – | – | – |
| Capital asset impairment | | 483 686 | – | – | – | – | – | – | – | – | – |
| Depreciation resulting from revaluation of PPE | 10 | – | – | – | – | – | – | – | – | – | – |
| Total Depreciation & asset impairment | 1 | 483 686 | 458 952 | 474 336 | 552 750 | 552 750 | 552 750 | 637 | 490 000 | 516 460 | 544 349 |

**Table 64 MBRR Table SA1 - Supporting detail to budgeted financial performance
(Continued)**

| <u>Bulk purchases</u> | | | | | | | | | | | |
|-------------------------------------------|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Electricity Bulk Purchases | | 385 712 | 393 981 | 397 501 | 470 000 | 455 000 | 455 000 | 308 681 | 450 000 | 474 300 | 499 912 |
| Water Bulk Purchases | | 86 772 | 58 895 | 108 466 | 80 000 | 80 000 | 80 000 | 75 252 | 110 000 | 115 940 | 122 201 |
| Total bulk purchases | 1 | 472 484 | 452 876 | 505 968 | 550 000 | 535 000 | 535 000 | 383 932 | 560 000 | 590 240 | 622 113 |
| <u>Transfers and grants</u> | | | | | | | | | | | |
| Cash transfers and grants | | - | - | - | - | - | - | - | - | - | - |
| Non-cash transfers and grants | | 22 610 | 20 879 | 2 343 | 4 000 | 4 051 | 4 051 | 4 051 | 4 500 | 4 600 | 4 700 |
| Total transfers and grants | 1 | 22 610 | 20 879 | 2 343 | 4 000 | 4 051 | 4 051 | 4 051 | 4 500 | 4 600 | 4 700 |
| <u>Contracted services</u> | | | | | | | | | | | |
| Contractors | | - | - | - | 51 238 | 42 063 | 42 063 | 8 197 | 42 520 | 44 816 | 47 236 |
| Outsourced Services | | 129 644 | 259 308 | 161 885 | 140 250 | 127 115 | 127 115 | 74 357 | 120 950 | 123 671 | 127 702 |
| Consultants & Professionals | | - | - | 27 649 | 80 400 | 78 750 | 78 750 | 46 012 | 71 605 | 75 472 | 79 547 |
| <i>sub-total</i> | 1 | 129 644 | 259 308 | 189 535 | 271 888 | 247 928 | 247 928 | 128 566 | 235 075 | 243 959 | 254 485 |
| Allocations to organs of state: | | | | | | | | | | | |
| Electricity | | | | | | | | | | | |
| Water | | | | | | | | | | | |
| Sanitation | | | | | | | | | | | |
| Other | | | | | | | | | | | |
| Total contracted services | | 129 644 | 259 308 | 189 535 | 271 888 | 247 928 | 247 928 | 128 566 | 235 075 | 243 959 | 254 485 |
| <u>Other Expenditure By Type</u> | | | | | | | | | | | |
| Collection costs | | | | | | | | | | | |
| Contributions to 'other' provisions | | | | | | | | | | | |
| Consultant fees | | | | | | | | | | | |
| Audit fees | | | | | | | | | | | |
| General expenses | 3 | 197 585 | 248 129 | 482 314 | 166 355 | 200 565 | 200 565 | 105 077 | 189 101 | 199 312 | 210 075 |
| Total 'Other' Expenditure | 1 | 197 585 | 248 129 | 482 314 | 166 355 | 200 565 | 200 565 | 105 077 | 189 101 | 199 312 | 210 075 |
| <i>by Expenditure Item</i> | 8 | | | | | | | | | | |
| Employee related costs | | | | | | | | | | | |
| Other materials | | - | - | - | 405 | - | - | - | 330 | 348 | 367 |
| Contracted Services | | 112 585 | 122 069 | 96 561 | 87 388 | 91 383 | 91 383 | 52 265 | 84 380 | 88 937 | 93 739 |
| Other Expenditure | | - | - | 257 | 5 000 | 2 000 | 2 000 | - | 3 000 | 3 162 | 3 333 |
| Total Repairs and Maintenance Expenditure | 9 | 112 585 | 122 069 | 96 818 | 92 793 | 93 383 | 93 383 | 52 265 | 87 710 | 92 446 | 97 438 |

Table 57 MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

| Description | Ref | Vote 01 - Executive Council | Vote 02 - Municipal Manager | Vote 03 - Chief Operating Officer | Vote 04 - Corporate Support Services | Vote 05 - Budget And Treasury Office | Vote 06 - Infrastructure And Technical Services | Vote 07 - Community Services | Vote 08 - Human Settlement | Vote 09 - Economic Dev,Tourism & Agriculture | Vote 10 - Public Safety, Fleet And Facilities Management | Vote 11 - Internal Audit | Vote 12 - Risk Management | Vote 13 - [Name Of Vote 13] | Vote 14 - [Name Of Vote 14] | Vote 15 - Other | Total |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------------------------|-----------------------------|-----------------------------------|--------------------------------------|--------------------------------------|-------------------------------------------------|------------------------------|----------------------------|----------------------------------------------|----------------------------------------------------------|--------------------------|---------------------------|-----------------------------|-----------------------------|-----------------|-----------|
| R thousand | 1 | | | | | | | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | | | | | | | | |
| Property rates | - | - | - | - | - | 270 000 | - | - | - | - | - | - | - | - | - | - | 270 000 |
| Service charges - electricity revenue | - | - | - | - | - | 2 104 | 472 896 | - | - | - | - | - | - | - | - | - | 475 000 |
| Service charges - water revenue | - | - | - | - | - | - | 161 600 | - | - | - | - | - | - | - | - | - | 161 600 |
| Service charges - sanitation revenue | - | - | - | - | - | - | 52 275 | - | - | - | - | - | - | - | - | - | 52 275 |
| Service charges - refuse revenue | - | - | - | - | - | - | - | 53 000 | - | - | - | - | - | - | - | - | 53 000 |
| Rental of facilities and equipment | - | - | - | - | - | - | - | 36 | 1 350 | - | - | - | - | - | - | - | 1 386 |
| Interest earned - external investments | - | - | - | - | - | 6 732 | - | - | - | - | - | - | - | - | - | - | 6 732 |
| Interest earned - outstanding debtors | - | - | - | - | - | 39 800 | 44 526 | 6 787 | - | - | - | - | - | - | - | - | 91 112 |
| Dividends received | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | - | - | - | - | - | - | - | 1 | - | - | 1 000 | - | - | - | - | - | 1 001 |
| Licences and permits | - | - | - | - | - | - | - | - | - | 127 | 2 000 | - | - | - | - | - | 2 127 |
| Agency services | - | - | - | - | - | - | - | - | - | - | 12 000 | - | - | - | - | - | 12 000 |
| Other revenue | - | - | - | - | - | 786 | - | 1 316 | 1 393 | - | 84 | - | - | - | - | - | 3 579 |
| Transfers and subsidies | - | - | - | - | - | 697 841 | - | - | - | 1 403 | - | - | - | - | - | - | 699 244 |
| Gains on disposal of PPE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | - | - | - | - | - | 1 017 263 | 731 297 | 61 139 | 2 743 | 1 530 | 15 084 | - | - | - | - | - | 1 829 055 |
| Expenditure By Type | | | | | | | | | | | | | | | | | |
| Employee related costs | 21 609 | 1 973 | 19 003 | 20 335 | 63 079 | 107 393 | 93 203 | 25 124 | 11 181 | 98 648 | 8 445 | 6 | - | - | - | - | 470 000 |
| Remuneration of councillors | 33 242 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 33 242 |
| Debt impairment | - | - | - | - | 275 000 | - | - | - | - | - | - | - | - | - | - | - | 275 000 |
| Depreciation & asset impairment | 95 | - | 42 | 421 | 451 157 | 31 030 | 3 735 | - | 515 | 3 006 | - | - | - | - | - | - | 490 000 |
| Finance charges | - | - | - | - | 140 501 | - | - | - | - | - | - | - | - | - | - | - | 140 501 |
| Bulk purchases | - | - | - | - | - | 560 000 | - | - | - | - | - | - | - | - | - | - | 560 000 |
| Other materials | 665 | 60 | 100 | 570 | 816 | 11 546 | 1 798 | 65 | 77 | 10 548 | 65 | 10 | - | - | - | - | 26 320 |
| Contracted services | 1 360 | 2 000 | 1 750 | 22 960 | 54 120 | 93 785 | 26 140 | 2 780 | 70 | 28 910 | 1 200 | - | - | - | - | - | 235 075 |
| Transfers and subsidies | - | - | - | - | 4 500 | - | - | - | - | - | - | - | - | - | - | - | 4 500 |
| Other expenditure | 11 730 | 140 | 2 610 | 31 540 | 33 731 | 3 490 | 4 610 | 248 | 2 530 | 98 150 | 210 | 110 | - | - | - | - | 189 101 |
| Loss on disposal of PPE | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Expenditure | 68 700 | 4 173 | 23 505 | 80 326 | 1 018 405 | 807 244 | 129 487 | 28 217 | 14 373 | 239 262 | 9 920 | 126 | - | - | - | - | 2 423 738 |
| Surplus/(Deficit) | (68 700) | (4 173) | (23 505) | (80 326) | (1 142) | (75 947) | (68 348) | (25 474) | (12 843) | (224 178) | (9 920) | (126) | - | - | - | - | (594 683) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | | | | | | 281 797 | | | | | | | | | | 281 797 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) | | | | | | | | | | | | | | | | | - |
| Transfers and subsidies - capital (in-kind - all) | | | | | | | | | | | | | | | | | - |
| Surplus/(Deficit) after capital transfers & contributions | (68 700) | (4 173) | (23 505) | (80 326) | (1 142) | 205 850 | (68 348) | (25 474) | (12 843) | (224 178) | (9 920) | (126) | - | - | - | - | (312 886) |

Table 58 MBRR Table SA3 – Supporting detail to Statement of Financial Position

| Description | Ref | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | | | | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|-------------------------------------------------|-----|-----------------|-----------------|-----------------|----------------------|-----------------|--------------------|-------------------|-----------------------------------------------------|------------------------|------------------------|
| | | Audited Outcome | Audited Outcome | Audited Outcome | Original Budget | Adjusted Budget | Full Year Forecast | Pre-audit outcome | Budget Year 2019/20 | Budget Year +1 2020/21 | Budget Year +2 2021/22 |
| R thousand | | | | | | | | | | | |
| ASSETS | | | | | | | | | | | |
| Call investment deposits | | | | | | | | | | | |
| Call deposits | | 53 436 | 1 031 | 5 464 | 50 000 | 50 000 | 50 000 | 39 575 | 56 994 | 144 757 | 277 494 |
| Other current investments | | - | - | - | - | - | - | - | - | - | - |
| Total Call Investment deposits | 2 | 53 436 | 1 031 | 5 464 | 50 000 | 50 000 | 50 000 | 39 575 | 56 994 | 144 757 | 277 494 |
| Consumer debtors | | | | | | | | | | | |
| Consumer debtors | | 196 385 | 337 257 | 219 140 | 430 677 | 430 677 | 430 677 | 1 641 753 | 669 511 | 681 000 | 701 000 |
| Less: Provision for debt impairment | | - | - | - | - | - | - | - | - | - | - |
| Total Consumer debtors | 2 | 196 385 | 337 257 | 219 140 | 430 677 | 430 677 | 430 677 | 1 641 753 | 669 511 | 681 000 | 701 000 |
| Debt impairment provision | | | | | | | | | | | |
| Balance at the beginning of the year | | - | - | - | - | - | - | - | - | - | - |
| Contributions to the provision | | - | - | - | - | - | - | - | - | - | - |
| Bad debts written off | | - | - | - | - | - | - | - | - | - | - |
| Balance at end of year | | - | - | - | - | - | - | - | - | - | - |
| Property, plant and equipment (PPE) | | | | | | | | | | | |
| PPE at cost/valuation (excl. finance leases) | | 6 121 338 | 5 778 180 | 5 518 675 | 6 108 468 | 6 137 748 | 6 137 748 | 5 661 356 | 5 943 153 | 6 260 856 | 6 603 650 |
| Leases recognised as PPE | | - | - | - | - | - | - | - | - | - | - |
| Less: Accumulated depreciation | | - | - | - | - | - | - | - | - | - | - |
| Total Property, plant and equipment (PPE) | 2 | 6 121 338 | 5 778 180 | 5 518 675 | 6 108 468 | 6 137 748 | 6 137 748 | 5 661 356 | 5 943 153 | 6 260 856 | 6 603 650 |
| LIABILITIES | | | | | | | | | | | |
| Current liabilities - Borrowing | | | | | | | | | | | |
| Short term loans (other than bank overdraft) | | 2 956 | | | | | | | | | |
| Current portion of long-term liabilities | | - | 4 470 | - | - | - | - | 2 013 | - | - | - |
| Total Current liabilities - Borrowing | | 2 956 | 4 470 | - | - | - | - | 2 013 | - | - | - |
| Trade and other payables | | | | | | | | | | | |
| Trade Payables | | 477 047 | 631 434 | 581 716 | 256 406 | 256 406 | 256 406 | 367 728 | 470 655 | 382 742 | 294 829 |
| Other creditors | | - | 327 | 987 | - | - | - | 156 073 | - | - | - |
| Unspent conditional transfers | | - | - | - | - | - | - | 1 025 406 | - | - | - |
| VAT | | - | - | - | - | - | - | - | - | - | - |
| Total Trade and other payables | 2 | 477 047 | 631 760 | 582 704 | 256 406 | 256 406 | 256 406 | 1 549 208 | 470 655 | 382 742 | 294 829 |
| Non current liabilities - Borrowing | | | | | | | | | | | |
| Borrowing | | 873 283 | 986 965 | 1 115 456 | 950 859 | 950 859 | 950 859 | 1 208 102 | 1 171 342 | 1 236 937 | 1 301 258 |
| Finance leases (including PPP asset element) | | 6 587 | | | | | | | | | |
| Total Non current liabilities - Borrowing | | 879 870 | 986 965 | 1 115 456 | 950 859 | 950 859 | 950 859 | 1 208 102 | 1 171 342 | 1 236 937 | 1 301 258 |
| Provisions - non-current | | | | | | | | | | | |
| Retirement benefits | | | | | | | | | | | |
| <i>List other major provision items</i> | | | | | | | | | | | |
| Employee Benefit Obligation | | 178 078 | 205 126 | 291 663 | | | | | 190 000 | 195 000 | 200 000 |
| Other | | - | - | - | 123 201 | 123 201 | 123 201 | 50 391 | - | - | - |
| Refuse landfill site rehabilitation | | | | | | | | | 18 000 | 18 200 | 18 430 |
| Total Provisions - non-current | | 178 078 | 205 126 | 291 663 | 123 201 | 123 201 | 123 201 | 50 391 | 208 000 | 213 200 | 218 430 |
| CHANGES IN NET ASSETS | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) | | | | | | | | | | | |
| Accumulated Surplus/(Deficit) - opening balance | | 5 715 803 | 5 137 616 | 4 773 101 | 5 876 052 | 5 909 555 | 5 909 555 | 4 936 486 | 5 331 357 | 5 678 952 | 6 100 341 |
| GRAP adjustments | | | | | | | | | | | |
| Restated balance | | 5 715 803 | 5 137 616 | 4 773 101 | 5 876 052 | 5 909 555 | 5 909 555 | 4 936 486 | 5 331 357 | 5 678 952 | 6 100 341 |
| Surplus/(Deficit) | | (502 811) | (363 915) | (310 513) | (326 087) | (330 310) | (330 310) | 337 134 | (312 886) | (217 259) | (116 603) |
| Appropriations to Reserves | | | | | | | | | | | |
| Transfers from Reserves | | - | - | - | - | - | - | - | - | - | - |
| Depreciation offsets | | - | - | - | - | - | - | - | - | - | - |
| Other adjustments | | - | - | - | - | - | - | - | - | - | - |
| Accumulated Surplus/(Deficit) | 1 | 5 212 992 | 4 773 701 | 4 462 588 | 5 549 966 | 5 579 245 | 5 579 245 | 5 273 620 | 5 018 472 | 5 461 694 | 5 983 738 |
| Reserves | | | | | | | | | | | |
| Housing Development Fund | | | | | | | | | | | |
| Capital replacement | | - | - | - | - | - | - | - | - | - | - |
| Other reserves | | | | | | | | | | | |
| Revaluation | | | | | | | | | | | |
| Total Reserves | 2 | - | - | - | - | - | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 5 212 992 | 4 773 701 | 4 462 588 | 5 549 966 | 5 579 245 | 5 579 245 | 5 273 620 | 5 018 472 | 5 461 694 | 5 983 738 |

Table 59 MBRR Table SA9 – Social, economic and demographic statistics and assumptions

| Description of economic indicator | Ref. | Basis of calculation | 2001 Census | 2007 Survey | 2011 Census | 2015/16 | 2016/17 | 2017/18 | Current Year 2018/19 | 2019/20 Medium Term Revenue & Expenditure Framework | | |
|-----------------------------------------------------|-------|----------------------|-------------|-------------|-------------|---------|---------|---------|-------------------------|-----------------------------------------------------|---------|---------|
| | | | | | | Outcome | Outcome | Outcome | Original Budget | Outcome | Outcome | Outcome |
| Demographics | | | | | | | | | | | | |
| Population | | STATSSA | 348 | 359 | 477 | 493 | 493 | 493 | 508 | 524 | 541 | 558 |
| Females aged 5 - 14 | | STATSSA | 15 | 15 | 20 | 21 | 21 | 21 | 21 | 22 | 23 | 24 |
| Males aged 5 - 14 | | STATSSA | 15 | 16 | 21 | 21 | 21 | 21 | 22 | 23 | 23 | 24 |
| Females aged 15 - 34 | | STATSSA | 15 | 16 | 21 | 22 | 22 | 22 | 22 | 23 | 24 | 24 |
| Males aged 15 - 34 | | STATSSA | 19 | 19 | 26 | 27 | 27 | 27 | 28 | 28 | 29 | 30 |
| Unemployment | | STATSSA | 146 | 150 | 145 | 150 | 150 | 150 | 154 | 159 | 164 | 170 |
| Monthly household income (no. of households) | | | | | | | | | | | | |
| No income | 1, 12 | STATSSA | 56 308 | 58 093 | 77 336 | 79 787 | 82 317 | 84 926 | 86 624 | 88 184 | 89 242 | 90 224 |
| R1 - R4 800 | | STATSSA | 11 818 | 12 192 | 16 231 | 16 745 | 17 276 | 17 824 | 18 180 | 18 508 | 18 730 | 18 936 |
| R4 801 - R9 600 | | STATSSA | 19 117 | 19 723 | 26 256 | 27 088 | 27 947 | 28 833 | 29 410 | 29 939 | 30 298 | 30 631 |
| R9 601 - R19 600 | | STATSSA | 60 479 | 62 396 | 83 064 | 85 697 | 88 414 | 91 217 | 93 041 | 94 716 | 95 852 | 96 907 |
| R19 601 - R38 200 | | STATSSA | 69 516 | 71 119 | 95 476 | 98 503 | 101 625 | 104 847 | 106 944 | 108 869 | 110 175 | 111 387 |
| R38 201 - R76 400 | | STATSSA | 67 083 | 69 209 | 92 135 | 95 055 | 98 068 | 101 177 | 103 201 | 105 058 | 106 319 | 107 489 |
| R76 401 - R153 800 | | STATSSA | 32 672 | 33 708 | 44 874 | 46 296 | 47 764 | 49 278 | 50 264 | 51 168 | 51 782 | 52 352 |
| R153 801 - R307 600 | | STATSSA | 16 684 | 17 213 | 22 914 | 23 641 | 24 390 | 25 163 | 25 667 | 26 129 | 26 442 | 26 733 |
| R307 601 - R614 400 | | STATSSA | 9 037 | 9 324 | 12 412 | 12 805 | 13 211 | 13 630 | 13 903 | 14 153 | 14 323 | 14 480 |
| R614 001 - R1 228 800 | | STATSSA | 3 128 | 3 227 | 4 296 | 4 433 | 4 573 | 4 718 | 4 812 | 4 899 | 4 958 | 5 012 |
| R1 228 801 - R2 457 600 | | STATSSA | 1 043 | 1 076 | 1 432 | 1 478 | 1 524 | 1 573 | 1 604 | 1 633 | 1 653 | 1 671 |
| >R2 457 601 | | STATSSA | 695 | 717 | 955 | 985 | 1 016 | 1 048 | 1 069 | 1 089 | 1 102 | 1 114 |
| Poverty profiles (no. of households) | | | | | | | | | | | | |
| <R2 060 per household per month | 13 | | | | | | | | | | | |
| Insert description | 2 | | | | | | | | | | | |
| Household/demographics (000) | | | | | | | | | | | | |
| Number of people in municipal area | | STATSSA | 347 578 | 358 596 | 477 381 | 493 | 493 | 493 | 508 | 524 | 541 | 558 |
| Number of poor people in municipal area | | STATSSA | 95 524 | 100 300 | 160 724 | 166 | 166 | 166 | 171 | 176 | 182 | 188 |
| Housing statistics | | | | | | | | | | | | |
| Formal | 3 | STATSSA | 58 365 | 61 283 | 95 149 | | | | | | | |
| Informal | | STATSSA | 37 159 | 39 017 | 65 575 | | | | | | | |
| Total number of households | | | 95 524 | 100 300 | 160 724 | - | - | - | - | - | - | - |
| Dwellings provided by municipality | 4 | | | | | | | | | | | |
| Dwellings provided by provinces | | | | | | | | | | | | |
| Dwellings provided by private sector | 5 | | | | | | | | | | | |
| Total new housing dwellings | | | - | - | - | - | - | - | - | - | - | - |
| Economic | | | | | | | | | | | | |
| Inflation/inflation outlook (CPIX) | 6 | | | | | 5.4% | 6.4% | 5.3% | 4.9% | 5.2% | 5.4% | 5.4% |
| Interest rate - borrowing | | | | | | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Interest rate - investment | | | | | | 7.0% | 6.4% | 6.2% | 7.0% | 6.7% | 6.7% | 6.6% |
| Remuneration increases | | | | | | | | | | | | |
| Consumption growth (electricity) | | | | | | | | | | | | |
| Consumption growth (water) | | | | | | | | | | | | |
| Collection rates | | | | | | | | | | | | |
| Property tax/service charges | 7 | | | | | 73.0% | 48.6% | 92.8% | 68.0% | 74.7% | 76.0% | 75.5% |
| Rental of facilities & equipment | | | | | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Interest - external investments | | | | | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Interest - debtors | | | | | | 73.0% | 48.6% | 92.8% | 68.0% | 74.7% | 76.0% | 75.5% |
| Revenue from agency services | | | | | | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

2.15 Municipal manager's quality certificate

I , acting municipal manager of Madibeng Local Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Acting Municipal Manager of Madibeng Local Municipality (NW372)

Signature _____

Date _____